



**A  
COMMITMENT  
WITH  
DEEP  
ROOTS**

**2023 SUSTAINABILITY REPORT**




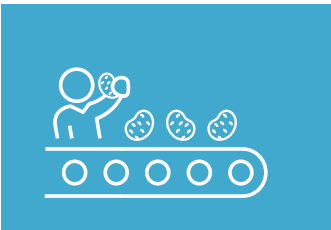

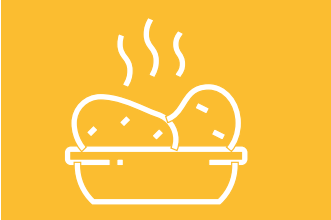


## 2023 SUSTAINABILITY REPORT

**Pizzoli S.p.A.**

via Zenzalino Nord 1, 40054 Budrio (Bo), Italy  
VAT no. 00590481206 - Economic and Administrative Index  
(REA) no. 03029000373 at the Bologna business register

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“

2023 was an extraordinary year for the development of Pizzoli. We are aware that we have entered a new phase in our history that will require even more commitment to ensure a responsible and sustainable growth for the benefit of all the stakeholders”.

**Nicola Pizzoli**  
President and CEO

## Letter from the President and CEO

2023 was an extraordinary year for the development of Pizzoli: starting in July, we tested and started up our second production plant for frozen fries at the San Pietro in Casale site, where a state-of-the-art logistics centre has been in operation since 2017.

This second edition of our Sustainability Report describes the challenges that this new phase of company growth holds in store for us, but also the first results achieved, which were not slow in coming, exceeding all expectations (+21% in revenues compared to 2022).

To support this development, we onboarded many new resources, expanding our staff by 38% compared to the previous year. All this is consistent with the attention and appreciation that Pizzoli holds for each worker, whose contribution is fundamental to the success of the Company: in 2023 we more than doubled the average number of training hours per employee compared to 2022, from 15 to 32 hours, and we are also taking advantage of the start-up of the new plant to accelerate the vertical or transversal growth of many figures. In addition, we reconfirmed the welfare measures for all employees and increased investments by 31%.

The new plant, like the one in Budrio, was designed to maximise circularity and efficiency by using the latest technological innovations. In addition, San Pietro in Casale is equipped with a biodigester so that it can continue to recover 100% of the by-products from processing and use them to produce biogas that directly feeds the facility's thermal power plant.

In a year as special as 2023, Pizzoli also faced some difficulties due to external factors that destabilised the supply chain. Adverse and increasingly diffi-

cult-to-predict weather conditions, inflation and geopolitical instability led to an increase in the cost of seed potatoes and raw material, and sometimes even a reduction in crop yields in terms of quality and quantity.

However, with great agility and skill, the company managed to handle the situation by sustaining the demand for raw material for the new factory and continuing to guarantee the quality and safety of the products sold on the market.

The strategic relationships built over the years with potato producers operating in as many as 12 Italian regions are crucial in this context. Pizzoli's commitment to agronomic research and innovation, to the technical assistance offered and to the programming and remuneration measures that incentivise the development of farms is a winning strategy that we intend to strengthen more and more with a view to a fair and collaborative supply chain.

Finally, we are aware that we have entered a new phase in our history that will require even greater commitment to ensure responsible and sustainable growth to benefit all the stakeholders, not least all the people and families who daily choose the quality and taste of Pizzoli products, placing their trust in our brand and our ability to improve day after day. With the cooperation of all our partners, we are convinced that we can fulfil this commitment and continue to create shared value in the territory and in the Italian agro-industrial sector.

**Nicola Pizzoli**






# Pizzoli, from seed to table

## The value chain

From sprout to table, Pizzoli's care and expertise along each stage of the value chain are the key to a success story and excellent products.

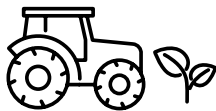




1

**BUYING SEED POTATOES**  
The quality of Pizzoli potatoes begins with the seed, through the selection and purchase of the best varieties to supply to growers.


**60**  
varieties sold



2

**GROWING**  
Pizzoli partners with more than 160 Italian farms for the production of quality potatoes, promoting the local territory and its resources.

**124,918**  
tonnes of potatoes harvested



3

**PROCUREMENT OF INGREDIENTS AND SERVICES**  
Sunflower oil, salt, packaging materials and more: all the essential supplies to produce Pizzoli potatoes are carefully selected.


**76%**  
spending on Italian suppliers



4

**SELECTION, PROCESSING AND TRANSFORMATION**  
Expertise, technology and circularity: these are the three key ingredients of the production processes, from fresh to frozen, through to specialty products.


**3**  
facilities



5

**PACKAGING**  
Packaging materials and processes are critical for maintaining the organoleptic characteristics of Pizzoli products unaltered until consumption.

**-33%**  
thinner plastic film in frozen product packaging



6

**DISTRIBUTION**  
Frozen and table potatoes are shipped from the cold stores or packaging lines to the distribution platforms or to the fruit and vegetable or frozen departments of customers.

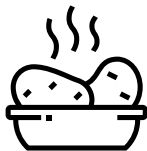
**99,000+**  
tonnes of product shipped



7

**SALES**  
Professionalism and attention to customer needs characterise this phase, where the Pizzoli products are distributed to the mass retail trade and food service industry.


**154 m €**  
in sales revenues



8

**CONSUMPTION**  
The time has come to enjoy and share the Pizzoli specialty products, just like millions of families in Italy and abroad already do.

**11**  
Countries reached



9

**DISPOSAL**  
The only thing left is to correctly dispose of the packaging and any organic waste in the separate waste collection, to be sent to authorised treatment, recycling or disposal plants.

**100%**  
of single-material packaging is recyclable

Note: These figures refer to 2023.



## PIZZOLI, THE ITALIAN POTATO SPECIALIST



For three generations, Pizzoli brings the best of potatoes to the table with the care, dedication and extensive know-how that only a specialist can offer.



# Mission

The top company in the potato production and marketing sector in Italy, Pizzoli offers a wide range of innovative potato products for families and catering professionals.

The company is organised into **three business areas**: production of frozen potatoes, selection and marketing of table potatoes for consumption, and marketing of seed potatoes.

The administrative office is located in Budrio, in the province of Bologna, a region traditionally renowned for the cultivation of quality potatoes. This is also the location for the production of frozen potatoes, which are then stored in the logistics platform located in San Pietro in Casale.

In 2023, the **San Pietro in Casale site was completed with the construction and start-up of the second** frozen food **production plant**, becoming the largest centre

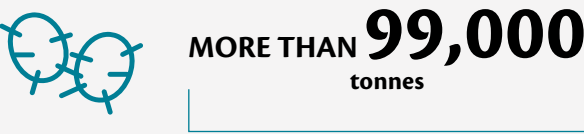
in Southern Europe, to support the strong expansion of the sector and consolidate Pizzoli's position in the market.

The operations associated with the marketing of seed varieties and the packaging of table potatoes are conducted at external units located in Baricella. As early as 2024, the seed and fresh lines will be progressively transferred to the new plant in order to **centralise operations** and meet the growing demand from the 11 countries where Pizzoli is present (both Italian and foreign markets).

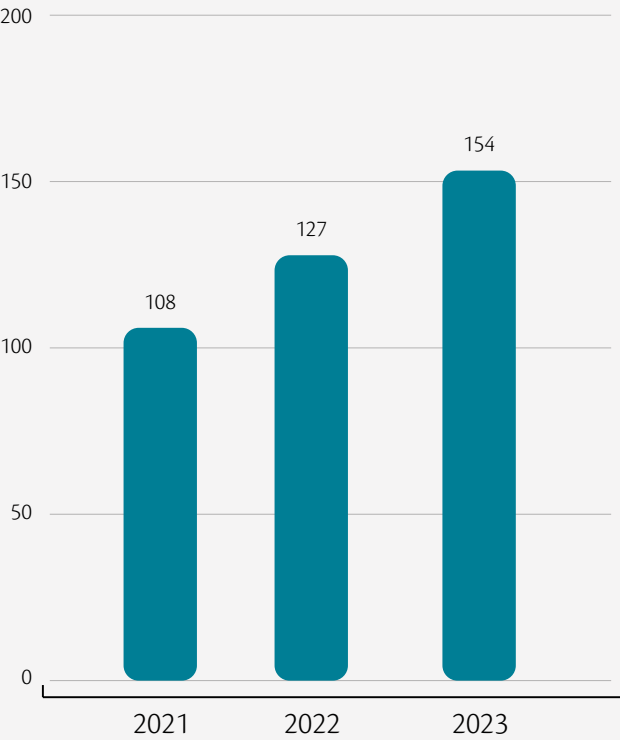


## PIZZOLI IN NUMBERS

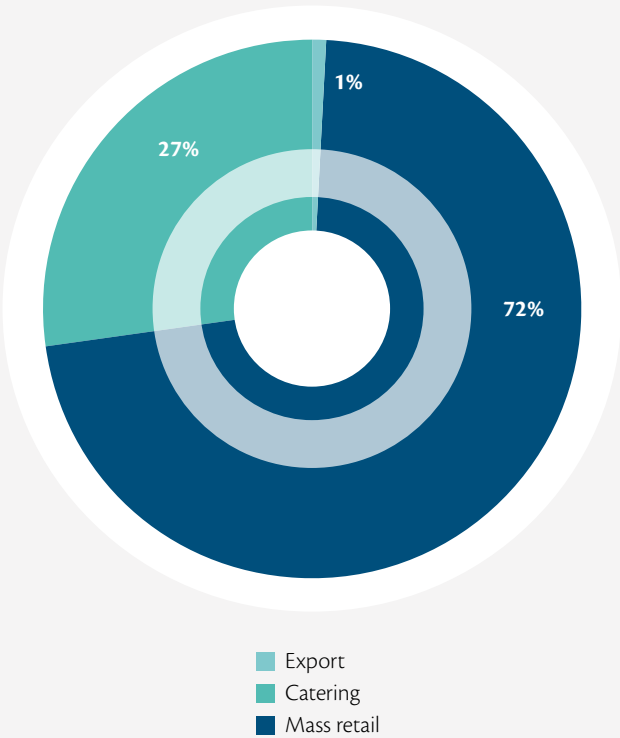
### Products marketed in 2023



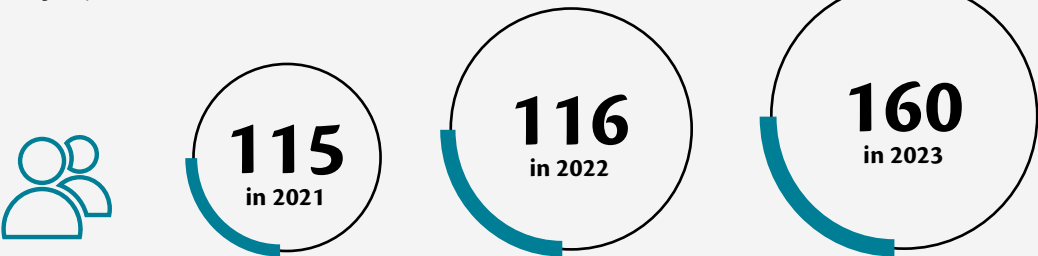
### Net sales revenues (m €)



### Breakdown of turnover by sales channel

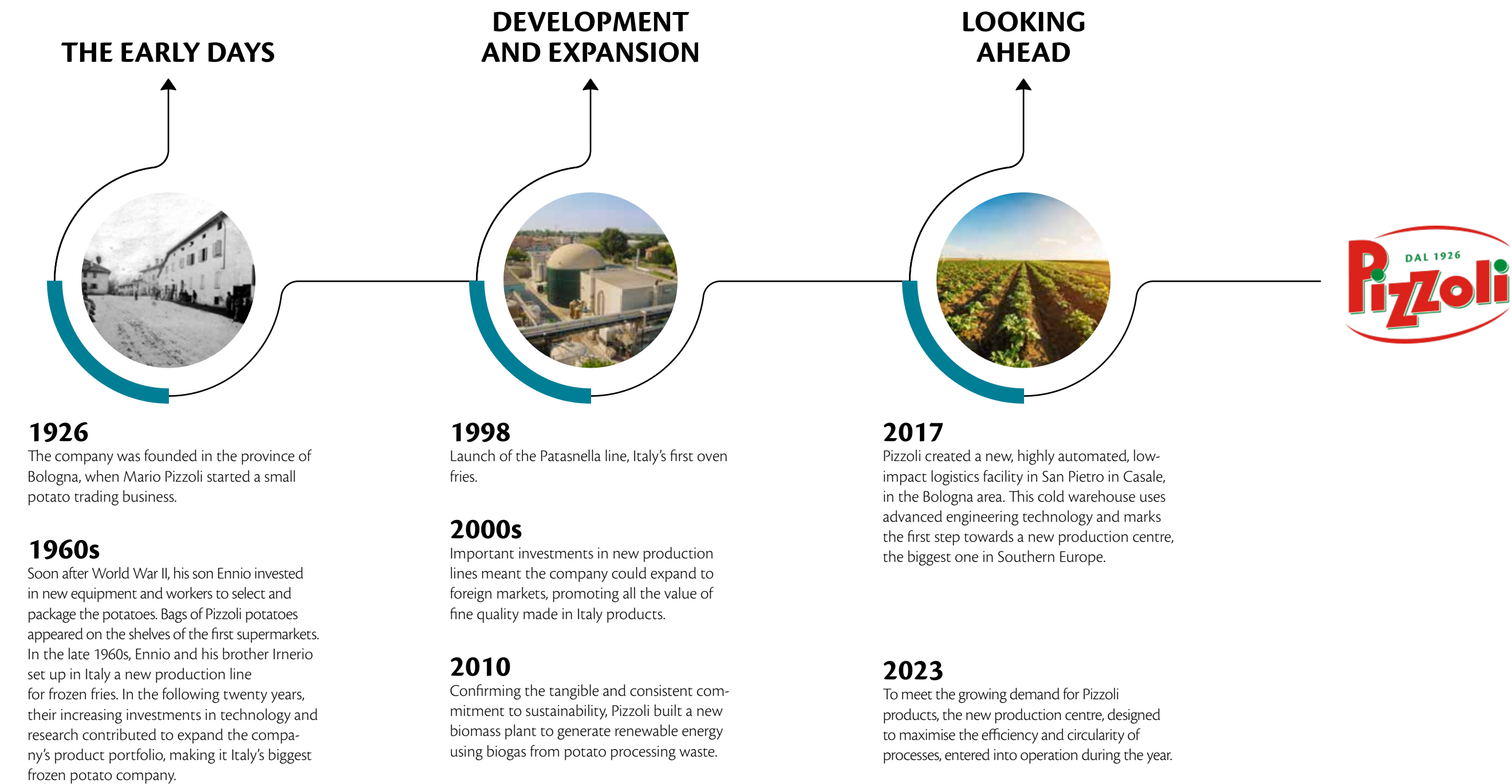


### Employees



# A century of tradition and technology

Pizzoli has grown from a small agricultural produce dealer to the company behind the successful Patasnella brand, combining engineering innovation with environmental sustainability.

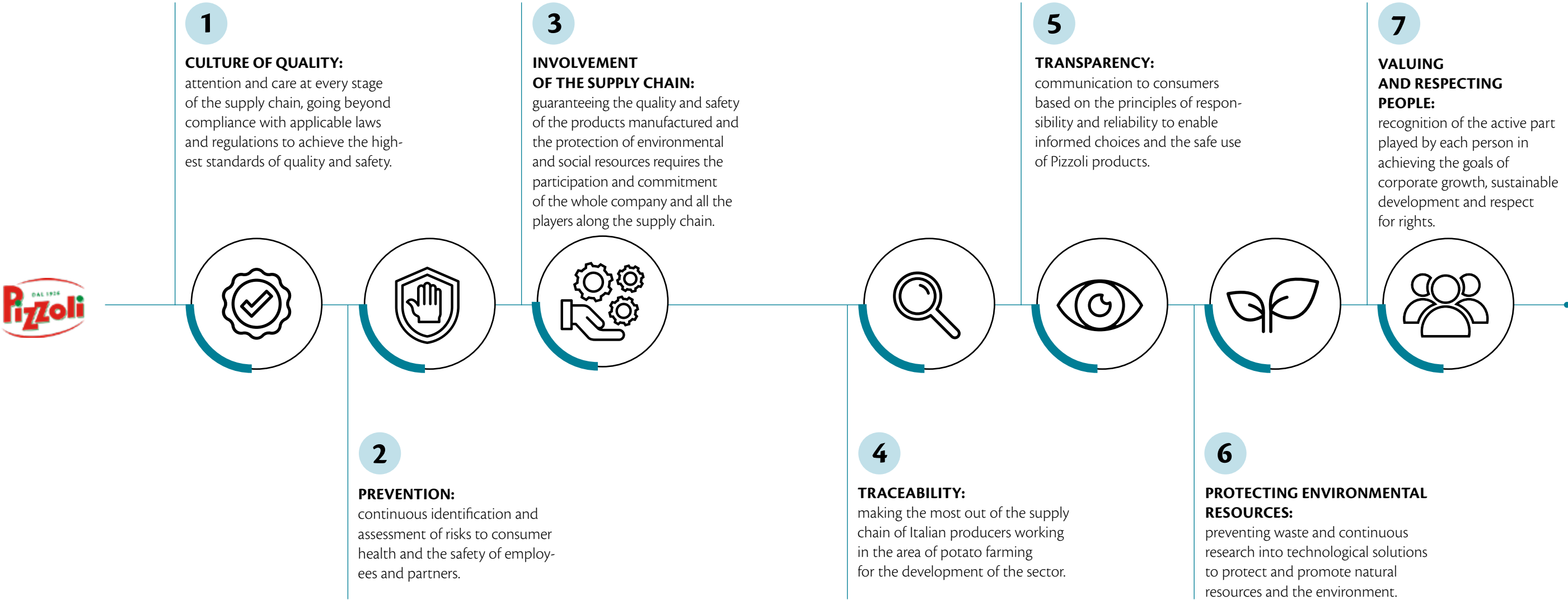




# The ingredients of Pizzoli’s commitment

Pizzoli is Italian, so it is very familiar with the tastes of Italians and their expectations when it comes to quality, this goes hand in hand with the company's quest for practical, genuine and environmentally-friendly solutions. For this reason, Pizzoli constantly invests in research and

development, from the field to the table, to create even more delicious, surprising, and sustainable products. This commitment is based on seven principles, which are also described in the Pizzoli **Corporate Policy**:



# Variety and quality to suit every taste

Years of experience, an extensive knowledge of the raw materials as well as a remarkable ability to innovate has allowed Pizzoli to successfully cater to all major sales channels in order to meet new consumer trends.

For the **grocery** departments of mass retailers, Pizzoli offers a wide selection of frozen and fresh products: from **Patasnella**, the first line of frozen oven-baked fries launched in 1998, to the **We Love** line, with innovative shapes and cuts.

There is also a comprehensive range of high quality fresh products suitable for all types of recipes, most notably **Iodi**, the potato that is a source of iodine. Moreover, there are numerous local excellences, some varieties of potatoes come from specific cultivating areas therefore carry the **PDO and the PGI certification**. **Restaurants** and **Food Service** Professionals can also choose from a vast array of dedicated frozen products in the Professional line: from Extra line classic fries to appetisers, products designed to guarantee best taste and frying performance.

51  
table potatoes SKUs

247  
frozen products SKUs

The quality of Pizzoli products starts with **seed potatoes**. In this area, the company boasts major achievements and varietal firsts that have helped consolidate and grow the entire national sector. The partner farmers are supplied

with seed potatoes whose health and geographical origin are certified by recognised third parties in the countries where they are grown.



## Food Service channel



## Grocery channel





# Governance model

Pizzoli's is the story of a family that with skill and intuition led the company to success and continues to push it towards ever more ambitious challenges.

Since 1926, Pizzoli has remained faithful to its nature as a family-run business. Now in its third generation and with the support of a strong management structure, the company continues to address new challenges and seize new opportunities in tackling the change.

Pizzoli S.p.A. is structured on the basis of a **traditional administration and control system**. The Board of Directors (BoD), consisting in three members, is elected by the Annual General Meeting (AGM) by direct vote and immediately afterwards the elected members meet to appoint the Chairperson.

The Board of Statutory Auditors monitors the activities of the directors and ensures that the company is managed and administered in accordance with the law and the articles of association.

The Board of Directors is responsible for managing the company to fulfil its corporate purpose, determining strategic policies and guidelines also with regard to aspects of sustainable development and the management of impacts on the economy, environment and people.

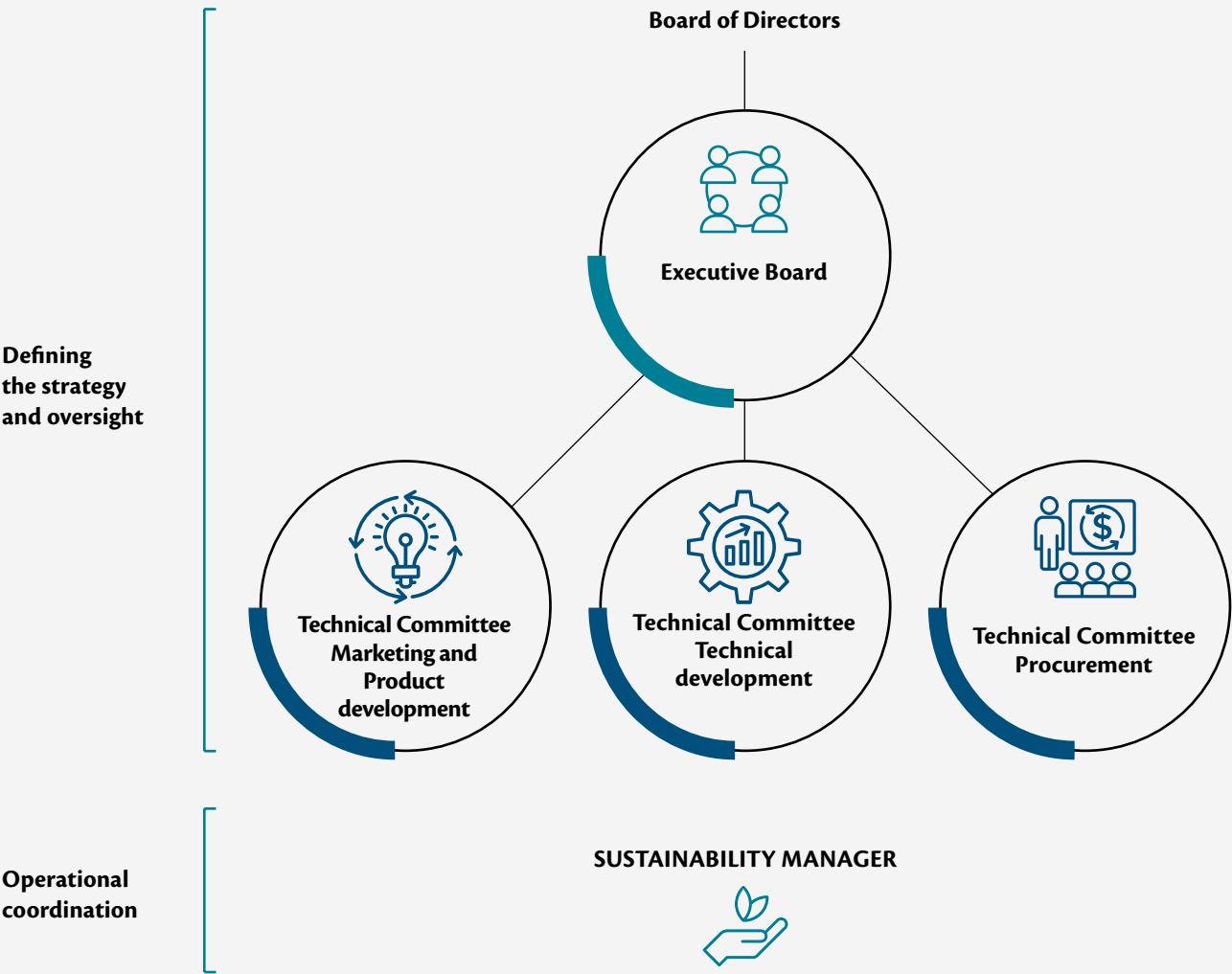
The highest governing body appoints the General Manager with special power of attorney to represent the company in relations with public entities in judicial matters and before the courts, and in the areas of labour and occupational health and safety, environmental protection, food safety and data processing. In turn, the General Manager appoints the Operations Manager, the Technical Manager and the Sales Manager with special proxies.

The Board of Directors is supported in its day-to-day management by the **Executive Board**, consisting of the General Manager and front-line people and staff, who meet weekly to discuss contingent issues. In addition to this, **three Technical Committees** have been set up to define long-term business strategy and management, with a focus on the areas of marketing and product development, technological development and procurement.

The Board and the committees meet quarterly to conduct a review of the business. The Executive Board, supported by the Technical Committees, is also responsible for overseeing enforcement of Corporate Policy and assessing the completeness and accuracy of non-financial reporting, referring everything to the highest governing body, which oversees and approves the information contained in the Sustainability Report.

Pizzoli confirmed at organisational level the role of **Sustainability Manager** established in 2022, with the aim of coordinating the operational management of the organisation's impacts on the economy, environment and people and the implementation of the new Sustainability Strategy.

# SUSTAINABILITY GOVERNANCE



# Acting ethically

The organisation's governance is based on the principles of honesty, impartiality and transparency enshrined in the **Company's Code of Conduct** that Pizzoli adopted when it was approved by the Executive Board in 2021. The Code draws its inspiration from the Universal Declaration of Human Rights and the Fundamental Conventions of the International Labour Organisation (ILO) and defines the principles and rules of conduct that guide the daily conduct of the company, its collaborators and all other persons acting on its behalf.

It also specifies the respective obligations that the company and its employees agree to comply with, and lays down the working conditions that Pizzoli guarantees to ensure respect for workers' human rights and the protection of vulnerable categories. Suppliers and other stakeholders who have dealings with Pizzoli are also required to read the Code and abide by the ethical principles it contains.

The Company ensures that all employees are informed of the principles of ethical conduct and provides a dedicated mail box at the various production sites for reporting alleged violations of the Code of Conduct.

Reports are collected and, depending on the topic, are processed by involving the relevant stakeholders, who investigate the case and promptly assess the adoption of any sanctions, ensuring the confidentiality of the reporter's identity, without prejudice to legal obligations. The Code of Conduct also complements the Code of Ethics and Conduct drawn up pursuant to Italian Legislative Decree 231/2001 in the area of occupational health and safety. Issues regulated by the Code of Conduct include the firm condemnation of conduct geared towards the pursuit of corporate or personal gain that is detrimental to comply with applicable laws and corporate ethical principles. More specifically, conduct that may bring unlawful advantages to customers, suppliers or public officials is not permitted. No cases of corruption have ever been encountered.



### Creating value

Pizzoli generates shared economic value through its business activities. This is then distributed across the main categories of stakeholders that the Company has professional and commercial ties with, thus contributing to the growth of its operational environment.

In 2023, 7% (about EUR 11 million) of the **economic value generated** by Pizzoli (about EUR 163 million) was retained, while 93% (about EUR 152 million) was distributed as follows:

- 92.6% to suppliers, including operating costs for purchased products and services;
- 6.1% to workers, including salaries, benefits, social security contributions and post-employment payments;
- 1.2% to lenders, in the form of interest on debts and loans;
- 0.04% to the public administration, in the form of fees and taxes;
- 0.03% to the community, in the form of sponsorships, donations, investments in social and pro bono activities.



# Managing risks

The unexpected events of the last few years, such as the spread of the Covid-19 pandemic and the outbreak of wars in Eastern Europe and Middle East, and the consequences they have had on business activities and supply chains show how important it is for an organisation to understand the context, identify potential threats and prepare for them.

To this end, Pizzoli **conducts an annual risk assessment** that could affect business activities and the ability to continue creating value.

After identifying the possible risks, their degree of relevance is assessed according to the criteria of severity and probability of occurrence, defining the Risk Assessment Matrix that identifies the priority areas where action is required. The risk management system includes the analysis of certain types of social and environmental risks, especially those connected with the implementation of the environmental management system certified according to the ISO 14001 standard.

### The company monitors the following risks:



#### FINANCIAL

for instance due to penalties, credit foreclosure and non-conformity with voluntary certification standards;



#### EXTERNAL

influenced by the social and economic environment, such as the increase in the cost of energy;



#### STRATEGIC

related to business and industry specifics, such as food safety;



#### ENVIRONMENTAL AND SOCIAL

for example, the shortage of raw materials due to the effects of climate change on farmland.



#### OPERATIONAL

stemming from inefficient processes and internal management, such as inadequate maintenance of production lines;

Pizzoli has also embarked on a process of alignment with the ISO 27001 information security management standard, conducting an **IT risk analysis** and preparing a risk response plan that defines the priority mitigation activities to be implemented in the years to come, among which training plays a central role. The IT security protection systems, enhanced in 2023 to prevent risks that might arise from business expansion, and procedures adopted in com-

pliance with Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data (General Data Protection Regulation - GDPR) ensure the protection of business-sensitive information and the appropriate processing of stakeholders' personal data. Moreover, the company has not received any complaints in the last three years regarding violations of the privacy of customers or other persons dealing with Pizzoli.



# The Pizzoli people

The professionalism and enthusiasm of the people working at Pizzoli are crucial for the growth of the business. For this reason, the company strives to optimise them every day.

2023 was characterised by a 38% increase in staff compared to the previous year due to the start-up of the new production plant in San Pietro in Casale. The workforce mainly concerned the Operation area, both through the recruitment of new resources as well as through the advancement of people already in the company who took on new positions within the new production environment.

At communication level, also in relation to the significant new recruits and with the aim of pursuing the desire to give space and centrality to people, the publication of the magazine “Sotto la Buccia” (Below the Skin) continued, launched in 2022, as a tool to spread the corporate culture and report on the Company's news.

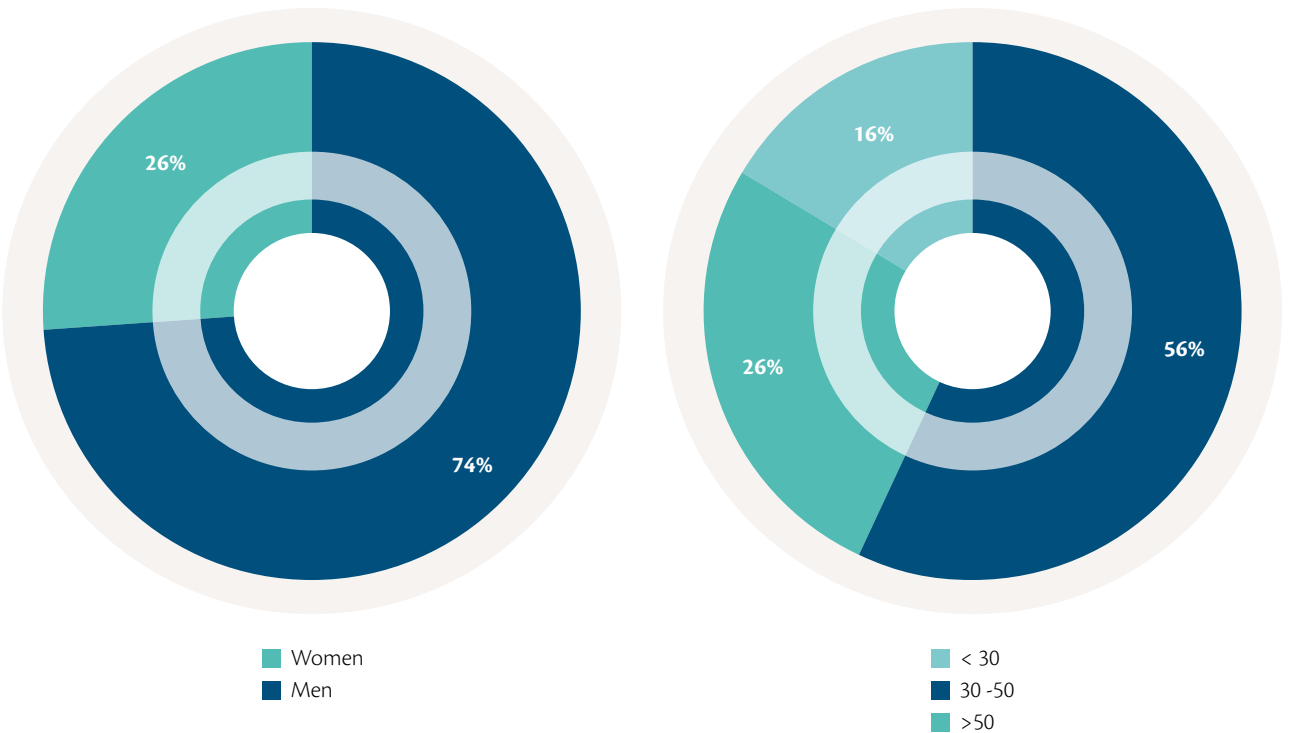


As at 31 December 2023, there were 160 employees, an increase of 38% compared to 2022, 99% of whom were full-time employees.

The company's population consists of 26% women and 74% men. The prevalence of men is typical of this industry and the production nature of the company. However, this factor does not detract from **Pizzoli's commitment to create fair and inclusive conditions**, starting from

the recruitment phase, where only merit, the potential for growth and the fit with the company values are assessed. Furthermore, more than half of the company's population is represented by workers between the age of 30 and 50 (56%), followed by workers over 50 (26%). The under-30s, who make up 16% of workers, are the group that has grown the most as a percentage of the total, following the new recruits for the San Pietro in Casale plant.

Company population by gender and age group



To support the company's development, 63 new people were hired in 2023, an increase of more than four times over the previous year. The trend in terminations, mostly due to voluntary reasons, did not deviate significantly (19 in 2023, 14 in 2022). Comparing this last figure against the number of entries shows an improvement, a sign of the stabilisation

of resources in Pizzoli. Pizzoli focuses a great deal of attention on recruiting and attracting talent, especially specialised technical figures by providing stimulating professional opportunities, relevant training courses for the development of both technical and soft skills, as well as ensuring the health, wellbeing and integration of everyone in the company.

## Cultivating skills

The training offer is designed to develop the skills of employees around the **specific training needs**. Accordingly HR identifies needs and in agreement with the Personnel Managers, proceeds with the planning of individual activities and delivery methods. With the start-up of the new plant, it was necessary to enhance health and safety training for existing workers, as well as for the new recruits. In 2023, the Company also supported the training of three employees to become boiler technicians.

In addition to specific training, Pizzoli provides an **onboarding programme for new employees**, consisting of a general part on the company and the principles of ethical conduct and a technical part associated with their role. The programme also includes training on food safety

issues governed by the HACCP regulations, also designed for contractors working in Pizzoli facilities.

As proof of the importance Pizzoli gives to supporting the training and development of its people, it provided **5,164 hours of training** in 2023, up 195% compared to 2022. When compared to the company's population, the average hours per employee more than doubled from 15 to 32. In addition to the areas of food safety, occupational health and safety, and specialised technical skills, training activities in 2023 also focused on strengthening soft skills, including communication and negotiation skills, managing emotions and conflict, and time management.

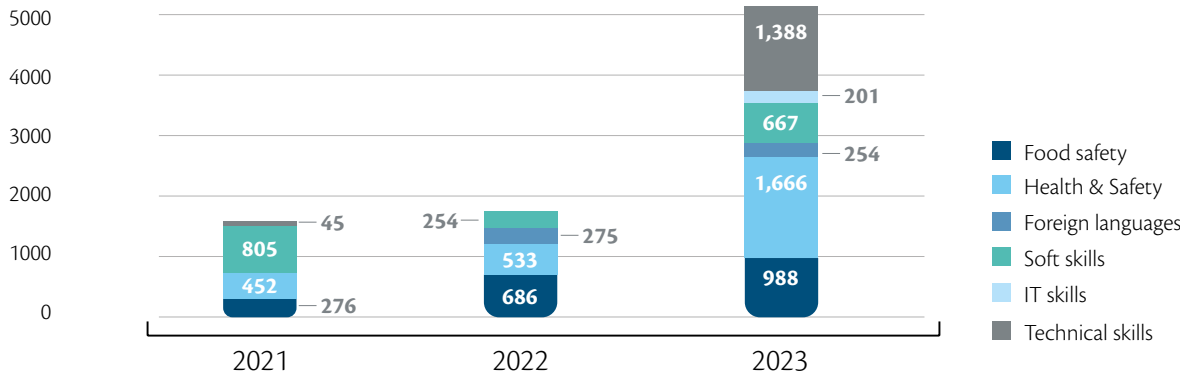
5,164

hours of training provided

32

average hours per employee

Hours of training by type



The need for specialists in the San Pietro in Casale production plant offered an opportunity for vertical growth for

many employees and the new challenges of 2023 stimulated a general increase in skills in every area.

## Nurturing wellbeing and satisfaction

Pizzoli strives to make its people proud to be part of an organisation that pursues growth without losing sight of the **human-centric aspect**. In addition to applying the working conditions guaranteed by law to the entire company's population, the company has entered into a **supplementary agreement** covering all employees, with the exception of Executives.

The agreement, which was renegotiated with the trade unions in 2022, was updated in 2023 with the new profitability, quality and productivity parameters for the payment of the annual productivity bonus. The possibility of converting the bonus into corporate welfare services was also confirmed with a 12% mark-up by the company.

In addition, a specific agreement was signed in 2023 for the flexible regulation of working time, to meet the needs of the first testing and start-up phases of the new production line in San Pietro in Casale.

In continuation with the previous year, in 2023 Pizzoli offered each employee up to management level a **net amount of EUR 258** to access goods and services that can be purchased via the dedicated platform. The welfare programme also includes:

- Marriage bonus of EUR 500 gross
- Parental bonus of EUR 500 gross for each newborn or adopted child
- Birthday bonus consisting in a voucher for the employee plus one to dine at a local restaurant
- Company's discounts spendable at local businesses in the aim to access goods and services at a lower price.

€ 37,500

investment in welfare

+31%

compared to 2022

Pizzoli is always happy to take in and discuss ideas from the people and trade union representatives, keeping interactions ongoing and open.

At the end of each year, the company presents and analyses the indicators relating to personnel, such as data on hirings and terminations, and other aspects of interest to employees, together with the representatives.



# Safety comes first

For Pizzoli, protecting people's health and safety does not only mean complying with legal obligations but it also means creating a corporate culture where safety is always a priority for everyone who works in the company. The implementation of **a health and safety management system covering the entire company population**, in accordance with Italian Legislative Decree 81/2008, ensures that adequate procedures are in place to identify risks and implement appropriate measures to prevent them. In addition, Pizzoli has adopted the **special disciplinary part section required by the Italian Legislative Decree no. 231/01**, which further protects employees from work-related harm and defines obligations and prohibitions that personnel are expected to comply with.

Health and safety protection is based on the assessment and management of generic and specific risks, assessed and contained in the Risk Assessment Document (DVR) specific to each facility and updated periodically. The procedures for identifying occupational risks and hazards are shared between the Prevention and Protection Service (SPP), the occupational physician, the workers' representative(s) (RLS) and the workers in training activities. Workers are responsible for reporting risk situations, dangerous behaviour or violations of internal regulations to the departmental supervisors and the workers' safety representative (RLS).

Similarly, workers may report presumed exposure to the risk of occupational diseases; the occupational physician is responsible for assessing these and communicating the outcome to the employer, who will then take appropriate mitigation measures. In any case, **workers are required to remove themselves from situations** that may harm their health. All employees also undergo **health surveillance by the occupational physician** appointed by the employer at intervals established on the basis of the provisions of the Legislative Decree 81/2008, increasing their frequency where necessary on the basis of the outcome of the examinations.

Specific procedures for storing and authorising access to employees' medical records ensure the protection of sensitive information in compliance with privacy regulations. Employees can also access the Fondo Assistenza Sanitaria Alimentaristi - FASA (Alimentary Health Care Fund) provided for by the National Collective Bargaining Agreement (CCNL) for access to healthcare services not included in the scope of occupational medicine.

On the basis of the assessments conducted and the reports received, the Sustainability function, together with SPP, **prepares appropriate prevention measures** and regularly monitors their effectiveness. Accidents or near-misses (accidents that do not cause injury or illness, but have the potential to do so) are investigated, and a procedure is set in motion that involves carrying out inspections and implementing measures to remove or mitigate the hazard, proceeding concurrently with activities to inform workers in order to prevent the risk identified. This communication between workers and SPP led to a change in the analytical methodologies applied, which in turn brought about a reduction in the exposure of workers to chemical risks, thanks to the introduction of rapid kits and practices involving the use of physical means in both water and oil analysis.

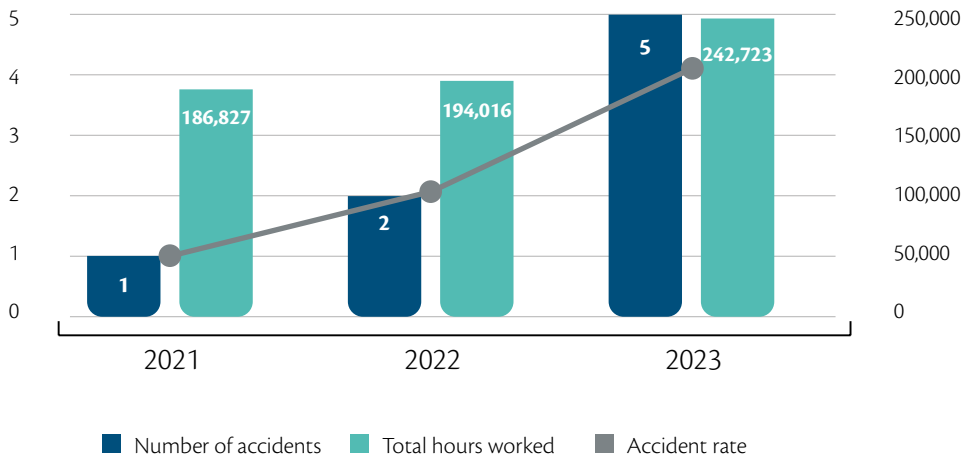
To prevent risks associated with activities in the cold rooms, in addition to the presence of oxygen concentration control systems, workers were also trained in how to perform tasks at height, obtaining the relevant qualification, and were trained in emergency first aid in critical environments, with the creation of a Safety Rescue Team.

Pizzoli encourages transparent and timely communication, ensuring that employees do not suffer repercussions or retaliation, and also provides staff with an anonymous reporting system. **Employee empowerment** is a fundamental goal for Pizzoli, and this is promoted through an operational approach to training, based on understanding and managing plausible risk scenarios. **General and specific training** is provided during the recruitment phase, depending on the role and task of the newly hired employee, and repeated whenever employees change jobs. The training plan and refresher activities are implemented on the basis of the Government-Regions Conference agreement. In addition to training and information activities, it is essential to clearly define the roles of employees in the field of health and safety to ensure that people do not approach situations for which they are not qualified, exposing themselves to risks for which they may be unprepared.

The focus on occupational health and safety is also extended to partners and along the supply chain. Risk assessments are conducted on contracted activities, in collaboration with the companies concerned. Additionally, contractors and suppliers are also assessed for compliance with safety regulations during the qualification phase and, in cases of specific risk activities such as plant maintenance activities, with additional requirements as well.

In 2023 there were five cases of **minor** injuries consisting mainly of minor joint sprains, crush injuries and cuts. The increase in cases, compared to 2 in the previous year, is partly a consequence of the increase in newly recruited staff. Training and the dissemination of a safety culture therefore remain a priority for Pizzoli. The ratio of the number of incidents to the total hours worked in the company resulted in an accident rate of 4,12<sup>1</sup> in 2023. Also among non-employees there were 2 cases of non-serious injuries in 2023 due to muscle and sprain injuries.

Work-related injuries recordable



<sup>1</sup> The accident frequency rate is calculated as the ratio between the number of accidents and the total number of hours worked in the same period, multiplied by 200,000.



# Interaction with the communities

A continuous exchange of knowledge and value between Pizzoli and the surrounding communities generates common development and benefits.

The company **generates shared value with the territory** by donating to local associations that seek to improve the availability and accessibility to healthcare services for the benefit of the community.

In 2023, the Company renewed its support for the Lega del Filo d'Oro, an association that assists people who are deaf and blind and people with multiple sensory impairments, and the ANT Foundation, which provides specialist medical support at home for cancer patients and cancer prevention, as well as various other facilities in the area.

Pizzoli also **supports sports associations, especially geared towards children and young people**, to promote health and the values they can acquire through sport for their growth, such as the NESC Camps dedicated to young swimming talents and local basketball teams such as VENI BASKET. In 2023, Pizzoli launched a major collaboration with the non-profit organisation called "Sport Senza Frontiere" to foster the inclusion of young people in disadvantaged conditions through sport.

Together with the Rotary Club Valle dell'Idice, Pizzoli supports the **Degree Award named in memory of Ennio Pizzoli**, promoted by the Department of Agricultural Science and Technology of the University of Bologna. The award is given to the most innovative and interesting research theses in the field of agronomy. The last award-winning project concerns the innovative use of geospatial technologies in agriculture: with the collaboration of Pizzoli's agronomic research and development department, the use of various vegetation indices calculated from satellite images was tested to obtain information on crop productivity, density, cover and nutritional status. The researcher was then introduced to the company, where they are continuing to develop the project with the aim of making it industrially applicable.



## Pizzoli takes to the track alongside Sport Senza Frontiere (Sport Without Borders)

Pizzoli supports the socio-educational programme devised and promoted by the non-profit organisation Sport Senza Frontiere throughout the country, which aims to encourage the social inclusion of many socially and economically disadvantaged young people by facilitating access to sport. With Iodi, the potato source of iodine that combines taste and wellbeing, Pizzoli has always believed in the importance of physical activity and promotes the values of commitment to people's wellbeing and solidarity towards the less fortunate.





A wide-angle photograph of a vast agricultural field, likely a vineyard or orchard, with rows of green plants stretching towards a distant horizon under a clear blue sky. The rows are neatly spaced and curve slightly, creating a sense of depth. In the background, a range of low mountains is visible under the sky.

## A COMMITMENT WITH DEEP ROOTS

“ Pizzoli responsibly strives to limit negative impacts in every activity, going beyond the boundaries of its facilities to promote sustainable development in the industry.



# A challenging situation

The effects of climate change are testing the resilience of the supply chain, which will have to be forward-looking and collaborative to meet the new challenges.

In 2022, 47.5 million tonnes of potatoes were produced in EU countries, more than half of which were cultivated in Germany, Poland, France and the Netherlands; the Italian market ranks 9th in terms of cultivated area and harvest. With volumes down 5.9% year-on-year<sup>2</sup>, the negative trend that between 2000 and 2020 saw harvested quantities of potatoes fall by more than 27%<sup>3</sup> has not yet been reversed. In 2023, producers also had to cope with adverse weather conditions, the spread of plant diseases and rising costs that decreased yields, and the reduced availability of seed potatoes is also posing a serious challenge for 2024.

Increasingly uncertain weather patterns, where reduced rainfall, extreme heatwaves and the spread of pathogens jeopardise the growth and health of tubers, are putting crops at risk. In addition, the rising cost of energy and other raw materials, such as fertilisers, is affecting the margins of growers and players along the supply chain.

On the other hand, **demand for potatoes continues to climb**. In fact, the highest per capita consumption of potatoes is recorded in Europe. In Italy, more than 110,000 tonnes of frozen potatoes, both fried and processed, were consumed in 2023, representing the second most popular category among consumers in the frozen food market<sup>4</sup>.

In order to address the negative trends, which do not only affect potatoes but the entire agricultural sector, European institutions are working to define objectives and guidelines to support the transition to a production model capable of ensuring productivity without compromising the health of ecosystems.

In the first phase, the measures require additional effort from companies in the sector since, for example, it is possible that the use of certain chemicals for pest and pathogen control will be severely restricted in the future. For this reason, **companies in the sector, including Pizzoli, are investing in innovative solutions to reduce impacts on the environment and at the same time make production more resilient**.



## The challenges

Degrading farmland, changes in rainfall and consequent decrease in crop yields



Fluctuating cost of energy, raw materials and semi-finished products



Fluctuating value of potatoes on the market



Italian agricultural context requiring continuous experimentation and adoption of new production models and practices



## Development trends



Defining strategies to quantify and limit the carbon footprint along the entire value chain



Increasing energy efficiency and circularity of production processes



Developing agricultural models and practices to address land degradation and support the regenerative capacity of ecosystems



Adopting micro-irrigation systems to reduce water consumption



Promoting a supply chain that ensures the involvement and profitability of all stakeholders, and growers in particular



Investing in product and process innovation to minimise food and resource waste

<sup>2</sup> Eurostat, 2024. Agricultural production – crops.  
<sup>3</sup> Eurostat (2021). The EU potato sector - statistics on production, prices and trade.  
<sup>4</sup> Istituto Italiano Alimenti Surgelati. Consumption and trends.



# Collaborations and partnerships for a resilient supply chain

The nature and scale of the challenges facing the potato sector require a systemic approach, capable of adapting the production model and administrative environment to new benchmarks. So it is important for companies in the supply chain to work together, also involving institutions and legislators, to facilitate the transition and develop innovative solutions.

To this end, Pizzoli has long been an active participant in the major **industry associations**, collaborating on sector studies as well as sharing best practices. Most notably, the company takes part in steering committees and specific working tables in the field of sustainability, contributing to research and communication activities of the following associations:

- **EUPPA - European Potato Processors' Association.** This European association represents the industry of potato processors in Europe, with a mission to be highly innovative, sustainable, competitive, and responsible for the current and future needs of the planet and the consumers. Its members are 6 national associations based in Belgium, Germany, France, Italy, the Netherlands and the United Kingdom as well as individual companies, together accounting for more than 90% of processed potato production in Europe.
- **Unione Italiana Food.** Leading association in Italy representing large brands and small to medium-sized enterprises in the food industry. The association aims to support the growth of the Italian food industry in global markets.
- **IIAS - Istituto Italiano Alimenti Surgelati.** IIAS - the Italian frozen food institute - is part of Unione Italiana Food and its objective is to inform consumers about freezing, preservation and distribution techniques, protecting and promoting the image of frozen food and encouraging its growth in terms of consumption. In 2022, **Pizzoli was involved in drafting the first Environmental Report dedicated to frozen food**, providing data and contributing to the development of specific metrics.
- **FruitImprese - Associazione Nazionale Imprese**

**Ortofrutticole.** Fruitimprese is an independent association that represents and protects businesses in the fruit and vegetable industry, promoting their growth and access to new markets. The Association's development levers are quality, freshness, sustainability and technology.

- **Consorzio di Tutela Patata di Bologna D.O.P.** Consortium for the protection of the Bologna PDO Potato, defining production regulations and controlling quality standards. Pizzoli is the second largest packer in terms of volume.
- **Ri.Nova Cooperative.** The company's statutory purpose is to coordinate regional and national research and technological development in the agricultural and food sector. Through Ri.Nova, in 2023 Pizzoli participated in co-financing a 3-year PhD on the subject of defending potatoes from elaterids. In cooperation with Ri.Nova, Pizzoli is also experimenting with new low-impact control methods, such as using RNAi molecules (see page 63).
- **Agri-food Clust-ER of the Emilia Romagna region.** The Clust-ER is a Community of public and private entities, operational since January 2018 and co-financed by the Emilia-Romagna Region, in the aim of strengthening collaboration between academia and enterprises and developing strategic projects. Pizzoli's membership aims to stimulate information and knowledge of innovative solutions by promoting the matching of supply and demand for innovation.

In addition, Pizzoli was involved in setting up the **Italian Phosphorus Platform**, an initiative led by the Ministry of the Environment and Energy Security, which aims to promote the recovery of phosphorus from production processes to achieve self-sufficiency in the phosphorus cycle on a national basis. The Platform also aims to coordinate national policies with the European reference framework. Pizzoli collaborates at this initiative by participating in the Platform's technical forums as well as to information and dissemination activities.

At the same time, Pizzoli works with academia in the field

of agronomic and varietal research and experimentation. New varieties and techniques are studied and tested in the experimental fields of the **University of Bologna** before being trialled on a large scale at Pizzoli's experimental farm. Collaboration with the University also extends to support research projects for dissertations.

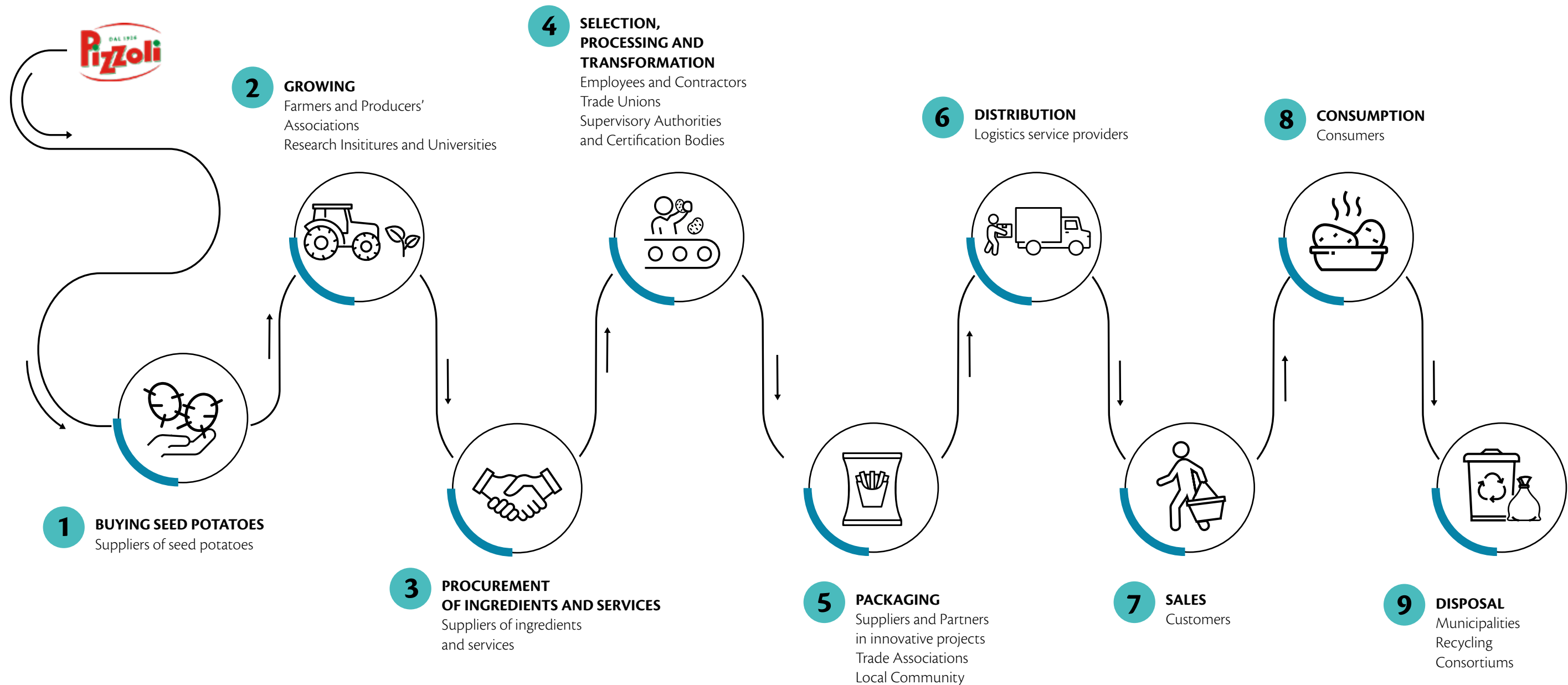
Lastly, Pizzoli constantly monitors **opportunities to partner with other companies and start-ups** to develop technologies and innovations and to establish synergetic processes, for example recovering and exploiting by-products of potato processing that can be used as raw material for other industries.



# Stakeholders and priorities

Listening and dialogue with stakeholders are fundamental to define an effective and sustainable strategy.

Pizzoli identified the most relevant categories of stakeholders for its organisation through an analysis of negative and positive impacts they could have and their ability to influence the company's decisions in regard to the different phases of the value chain.





From time to time, when updating the analysis of the context and business risks, Pizzoli assesses the expectations of individual groups and defines the methods and contents to effectively respond to stakeholder's requests. In addition to continuous dialogue and engagement efforts made through the most appropriate communication channels for each category (as more fully described

in the sections that follow), in 2022 Pizzoli **consulted a sample group of employees and suppliers** to explore their perceptions and expectations in the social and environmental spheres, which were taken into account in the process of defining material issues and identifying strategic sustainability guidelines.

Using an online questionnaire, stakeholders were asked to assess the significance of the impacts associated with Pizzoli's activities and to answer a number of questions relating to strategic issues for the sector and for business development.

The questionnaires revealed that both employees and suppliers agreed that the overriding challenges for Pizzoli are:

- Reduce its carbon footprint
- Promote sustainable farming practices that protect biodiversity
- Continue developing processes from a circular perspective.





# Materiality analysis

To plan a cohesive and forward-looking corporate strategy, capable of incorporating management of the most relevant social, environmental and economic aspects, it was essential to prioritise Pizzoli's areas of action by carrying out a materiality analysis. The analysis consists in a process to determine and assess material topics i.e. the most relevant aspects for an organisation that groups together and describes one or more impacts it has or may have on the society, the environment and the economy as well as its ability to create value throughout time.

cess to determine and assess material topics i.e. the most relevant aspects for an organisation that groups together and describes one or more impacts it has or may have on the society, the environment and the economy as well as its ability to create value throughout time.

## The 12 material topics in order of priority

- ▶ 1. Food safety and quality
- ▶ 2. Management of human resources
- ▶ 3. Procurement practices and management of agricultural ecosystems
- ▶ 4. Innovating and developing the supply chain
- ▶ 5. Generating value
- ▶ 6. Climate change
- ▶ 7. Managing resources for production and circularity
- ▶ 8. Exploiting by-products and waste management
- ▶ 9. Customer and consumer satisfaction
- ▶ 10. Supporting communities and developing the local areas
- ▶ 11. Ethical and responsible management of the business
- ▶ 12. Combating food waste and raising consumer awareness

- Economy and governance topics
- Social topics
- Environmental topics



In line with the methods defined in the GRI 2021 Standards developed by the Global Reporting Initiative, the material topics were identified in the following steps:

### Understanding the sustainability context

Analysis of the regulatory framework applicable to Pizzoli's business and sector; analysis of studies and reports issued by institutional bodies and organisations in the agri-food sector (e.g. European Potato Processors' Association (EUPPA), Italian Frozen Food Institute (IIAS), Sustainable Agriculture Initiative), as well as analysis of competitor and peer strategies, to determine the most relevant sustainability trends and risks.

### Analysing the value chain

Breakdown of each step of Pizzoli's value chain from upstream to downstream, under the direct or indirect control of the organisation; analysis of stakeholder relations for each step.

### Identifying impacts

Identification of the impacts generated for each stage of the value chain, i.e. the negative or positive effects that Pizzoli has or could have on the economy, the environment, people and their human rights; these impacts may be actual or potential, intended or unintended, reversible or irreversible and have short-term or long-term effects.

1

2

3

4

5

### Assessing the significance of the impacts

The level of significance of negative impacts was determined by using a value scale to assess the severity, likelihood of occurrence, how widespread the impacts are, and how difficult it would be to remedy them; for positive impacts, on the other hand, the level of significance was assessed on the basis of how beneficial and how widespread the impacts would be. The process also took into account the evaluations given by the stakeholders who responded to the online questionnaire.

### Grouping of impacts in material topics

Negative and positive impacts were ranked in order of significance, and those which were above the defined minimum threshold of significance, were grouped together to define Pizzoli's material topics.



# Looking forward with responsibility

The commitment to integrate sustainability principles in a structured and tangible way into business management will be increasingly central for Pizzoli.

Pizzoli has always managed business processes and activities in the aim to achieve high levels of efficiency while ensuring a fair and responsible engagement with stakeholders. From facility planning to ensure the recovery and utilisation of energy resources and waste, to agronomic research to

optimise the use of resources and minimise impacts in the fields. Over the years, the company has continued to work to improve its social and environmental performance, by developing specific policies and procedures, and by obtaining quality and sustainability certifications.

In 2023, the Company laid the foundations to build an integrated sustainability approach to its business strategy. After investigating the nature of the impacts generated by the business and understanding stakeholder expectations, the management, through a shared process led by the Sustainability Manager, identified priority areas of commitment for Pizzoli, i.e. the **pillars** of the sustainability strategy.

For each strategic area, the Company is monitoring its performance in order to establish, following the expansion of activities, a baseline representative of the new corporate structure against which to define medium- and long-term improvement objectives and targets that will guide the business in effectively managing the social and environmental impacts.

## AT THE ROOTS OF ETHICS

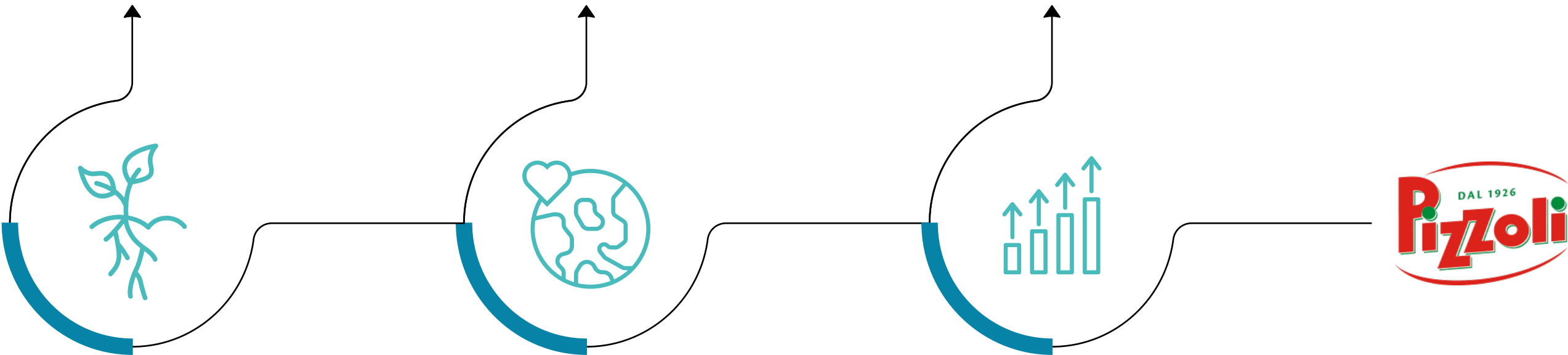
Commitment to ensure ethical and responsible business management, protecting the ability to create shared economic value and fostering the participation, development and safety of the Pizzoli people.

## RESPECTING THE PLANET

Constantly researching and developing efficient and circular processes to reduce the direct impacts of industrial production on the environment, minimising waste and carbon footprint.

## HEALTHY GROWTH

Helping to transition to a sustainable agricultural system, addressing the depletion of resources and promoting the regenerative capacity of ecosystems to ensure a healthy, high-quality product and to ensure food safety for future generations.



- Spreading the culture of safety in the Company.
- Promoting social initiatives aimed at enhancing the territory.
- Communicating Pizzoli's sustainability commitment and raising stakeholder's awareness.

- Analysing the organisation's carbon footprint and defining a mitigation plan.
- Analysing the carbon footprint of certain product categories.
- Taking part in research and development projects to exploit by-products and recover and recycle waste.
- Managing waste water to prevent contamination of water resources.

- Developing and promoting innovative and regenerative farming practices, in collaboration with supply chain partners.
- Engaging and raising awareness among stakeholders along the value chain to promote a sustainable supply chain.
- Promoting initiatives for health protection and the dissemination of a healthy and responsible lifestyle.

53%

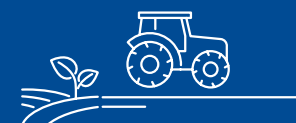
POTATOES SOURCED  
WITHIN A 500 KM RANGE  
FROM PIZZOLI'S FACILITIES

113

SUPPLIERS ASSESSED ON THE BASIS  
OF ENVIRONMENTAL CRITERIA

4

MACRO AREAS OF  
AGRONOMIC DEVELOPMENT TO  
REDUCE IMPACTS ON FIELDS



## NATURALLY GOOD, SUSTAINABLE BY CHOICE

“Experimenting, innovating and sharing expertise:  
this is what Pizzoli does every day to preserve  
all the good the earth has to offer.”



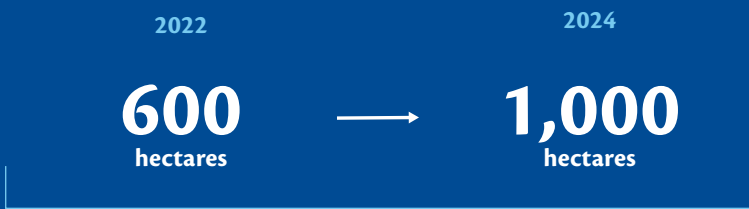
# A preventive and systemic vision

To face the challenges of climate change, a preventive and systemic vision is needed, involving administrations, agricultural producers and industry. Only through close cooperation will it be possible to make the territory less vulnerable and ensure the sustainability of production.

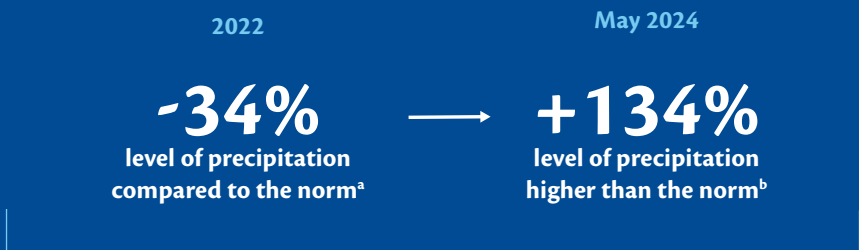
## A STRATEGIC COLLABORATION

The collaboration between Pizzoli and Alpropat, a producer organisation mainly active in the Veneto region with producer members in Piedmont and Lombardy as well, is an example of how attention to suppliers can foster the development and sustainability of the entire production chain. Pizzoli has always believed in the importance of Alpropat and its suppliers by supporting them through financial instruments as well as in research and development activities. This relationship has been crucial, especially throughout those years marked by extreme weather events, such as 2022 and 2023.

### Expansion of potato-growing areas by Alpropat for Pizzoli



### Unstable weather conditions in Veneto: from drought to floods



a) ARPAV (Veneto Regional Agency for Environmental Prevention and Protection), Agroclimatic trends 2022.  
b) ARPAV, June 2024. Report on the water resource in Veneto as at 31 May 2024.

## GROWTH THROUGH SUSTAINABILITY AND INNOVATION

From their collaboration with Pizzoli, Alpropat member farms benefit from significant financial and technical support that, together with effective and forward-looking planning, allows producers to experiment with new practices and invest in innovative technologies to make production more profitable and resilient to the effects of climate change. In 2023, Alpropat purchased and installed weather stations and soil moisture sensors, which, thanks to the data collected and the advice of Pizzoli's agronomists, made it possible to improve irrigation efficiency by reducing costs and water waste.



Pizzoli has always shown great care towards its suppliers, aware that quality production would be impossible without us. This mutual trust has fostered a strategic partnership that has allowed us to grow together. Pizzoli also supports us with financial instruments, which are essential at critical times. In addition, the company shares its innovations in research and development with us, improving our skills and making the entire supply chain more sustainable. In addition, production planning can facilitate more efficient and profitable management, making it possible to cope better with increasingly frequent and unpredictable weather challenges."



**Mr. Paolo Sartori**  
Vice President of Alpropat



## WHAT WE DO IN PIZZOLI

Aware of the impacts that the company indirectly generates during the agricultural process, **Pizzoli has always researched and field-tested** innovative techniques and solutions to reduce the impact of farming practices and increase crop resilience.

### Potential areas of impact

- 1 Remuneration of farmers and potential impacts on productivity and product quality
- 2 Rights of workers and human rights along the supply chain
- 3 Pollution and impoverishment of ecosystems caused by the farming practices adopted to produce potatoes and other supplied raw materials
- 4 Indirect GHG production in the field
- 5 Opportunities for economic development for the supply chain and sector
- 6 Technical skills of potato growers and development of producer associations
- 7 Transition to sustainable and regenerative agricultural practices

## The art of choosing wisely

An integrated agri-food chain, based on fair and transparent trade relations, is key to producing an excellent product while respecting society and the environment.

More than 50% of Pizzoli's suppliers are farms, which it supplies with certified seed potatoes of the varieties best suited to the local area in order to ensure a profitable production. Seed potatoes are purchased from specialist producers in Northern Europe.

Pizzoli also purchases **ingredients** for the preparation of frozen recipes, including frying oil, flours, other minor ingredients and packaging materials.

No less important for supply chain efficiency are the **technical services**, including maintenance of production facilities, and **logistics and transport services** to provide consumers with a product that always meets their needs.

In 2023 the total number of **direct suppliers** increased from 358 in 2022 to 410. The supplier list was consolidated in view of starting production activities in San Pietro in Casale. In addition, **diversification** was also necessary to cope with the difficulties in supplying raw material due to the unstable weather pattern, which jeopardised yields in terms of quality and quantity. As a result, **expenditure** on suppliers increased by 35% over the previous year.

410

total suppliers

20

suppliers  
of seed potatoes

167

potato suppliers,

80% are Italian and include Producer Organisations

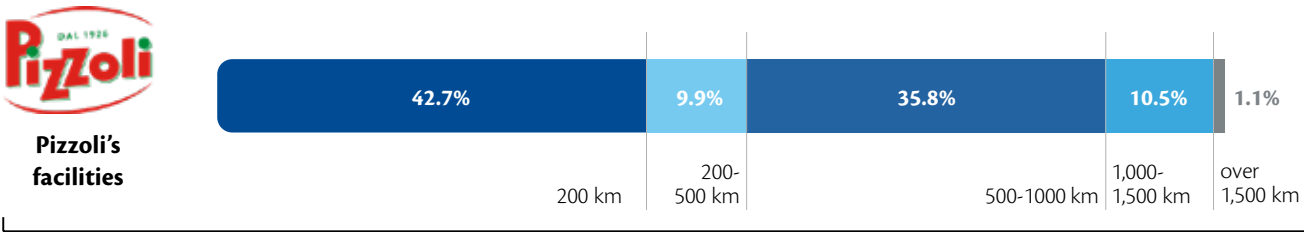
The company primarily sources Italian suppliers. Over the years, Pizzoli has built **long-lasting and trust-based relations** with industrial partners and many farming organisations located across a large part of Italy in production areas particularly suited for potato growing, mainly Vene-

to, Emilia-Romagna, Abruzzo, Campania, Calabria and Sicily. For some specific supplies, Pizzoli also purchases from selected European partners, in the aim of always ensuring availability and the highest quality of raw materials.





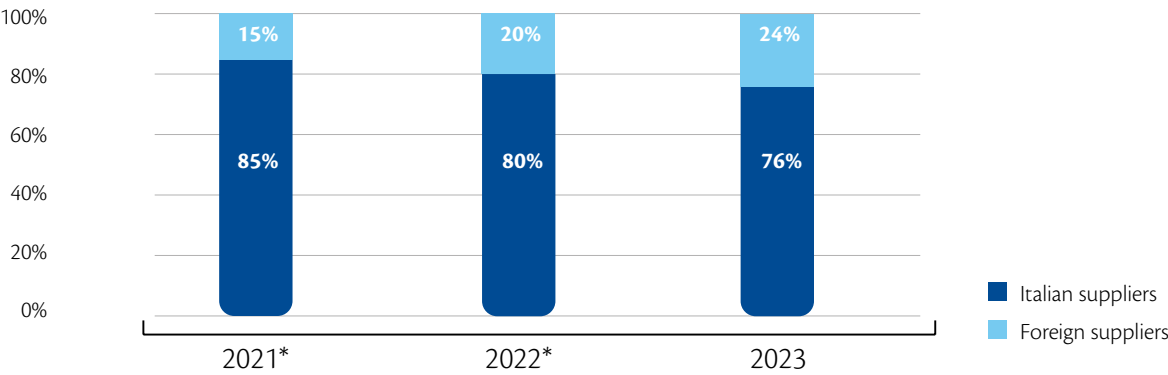
Origins of the potatoes



In 2023, **76% of procurement expenditure went to Italian suppliers**, 21% were based in Emilia-Romagna. The slight reduction in the share of Italian supplies compared to previous years (80% in 2022 and 85% in 2021)

was due to the need to purchase larger quantities of seed potatoes and potatoes from abroad to meet the growing demand.

Proportion of expenditure with suppliers



\* The figures for 2021 and 2022 were restated following the refinement of the reporting with the addition of expenditure for the industrial cleaning supply category.





Supplier selection

Pizzoli **carefully selects supplies that meet certain quality, performance and environmental criteria** defined within specific procedures and tools for each product category. In 2023, 29% of its new suppliers were assessed on the basis of environmental criteria and 47% on social criteria. The organisation’s management practices and compliance with ethical and social responsibility requirements enshrined in the Pizzoli Company Code of Conduct are also assessed. These include fostering fair and decent working conditions and respect for human rights.

In addition to using declarations and documentation issued to verify compliance with the requirements, Pizzoli conducts audits on some suppliers. In 2023, **146 suppliers were involved in audit activities**, including 45 new suppliers and 101 already accredited suppliers, complementing the activities carried out in the previous two

years, which included audits at 189 suppliers in 2022 and 202 in 2021. In addition, still in 2023, **Pizzoli’s Agronomists conducted 177 field audits on the farms and producer associations** to make sure they were following the required practices and meeting the relevant quality standards.

Particular attention is paid to suppliers of **certified consumer potatoes**, at which Pizzoli carries out checks and audits both with internal technical staff and with the help of external consultants. In Baricella as well as in the external storage warehouses, there is a system that accurately records the origin data of the raw material by plot of land either for the potatoes procured under supply chain agreements or by individual delivery in the case of other purchases.



Methods and scopes of supplier assessment by product category

 SEED POTATOES	<b>Assessment tools</b> <ul style="list-style-type: none"><li>• Certification by geographical origin and plant health</li></ul>	<b>Scope of assessment</b> <ul style="list-style-type: none"><li>• Origin</li><li>• Plant health characteristics in accordance with European Regulation RUCIP<sup>5</sup> and CREA<sup>6</sup> national seed regulations</li></ul>
 POTATOES	<ul style="list-style-type: none"><li>• Purchase conditions</li><li>• Framework contract for the sale of table potatoes for direct consumption</li><li>• Adoption of the local region’s Regulations for Integrated Crop Management</li><li>• Checklist for monitoring adopted practices</li><li>• Adoption of the Italian raw material traceability programme</li><li>• GLOBALG.A.P. and GRASP certification (if applicable)</li></ul>	<ul style="list-style-type: none"><li>• Compliance with established quality requirements</li><li>• Compliance with practices defined in the Regulations in terms of management and use of plant health products, irrigation, fertilisation, weeding, soil tillage, waste management</li></ul>
 INGREDIENTS AND OTHER FOOD RAW MATERIALS	<ul style="list-style-type: none"><li>• Questionnaire for assessing suppliers of food raw materials</li><li>• Questionnaire on suppliers’ social responsibility</li><li>• Corporate and/or product certifications, if available</li></ul>	<ul style="list-style-type: none"><li>• Food safety</li><li>• Waste management</li><li>• Transport management</li></ul>
 PACKAGING	<ul style="list-style-type: none"><li>• Questionnaire to assess packaging suppliers</li><li>• Questionnaire on suppliers’ social responsibility</li><li>• Corporate and/or product certifications, if available</li></ul>	<ul style="list-style-type: none"><li>• Quality and traceability management</li><li>• Compliance with health and hygiene requirements when managing food products</li></ul>
 SERVICES	<ul style="list-style-type: none"><li>• Questionnaire on suppliers’ social responsibility</li><li>• Procedure PG03 “Contract management”, stemming from the 231 Compliance Model (for the maintenance service)</li></ul>	<ul style="list-style-type: none"><li>• Compliance with insurance contribution payments</li><li>• Existence of required insurance cover</li><li>• Occupational health and safety</li><li>• Respect for workers’ rights and decent working conditions</li></ul>
 TRANSPORT	<ul style="list-style-type: none"><li>• Questionnaire on suppliers’ social responsibility</li><li>• Compliance with HACCP procedures</li><li>• Certificate of compliance with insurance contribution payments (documento unico di regolarità contributiva - DURC)</li><li>• Insurance documents</li><li>• Pizzoli operating instructions</li><li>• Any applicable certifications</li></ul>	<ul style="list-style-type: none"><li>• Compliance with insurance contribution payments</li><li>• Existence of required insurance cover</li><li>• Respect for workers’ rights and decent working conditions</li><li>• Transport conditions that guarantee the cold chain</li></ul>

5 The whole body of the Rules and Practices of the Inter-European Trade in Potatoes and the Rules governing Expert Assessments and Arbitration of the European Committee.  
6 Italian Council for Agricultural Research and Economics.





**For responsible and sustainable agriculture**

By requiring the adoption of the regional Regulations for Integrated Crop Management, Pizzoli promotes a supply chain that is attentive in reducing the impact on the soil and the agricultural ecosystem. Under these regulations, **biological methods and preventive agronomic techniques are used as defence systems against pests and disease, aiming for a long-term balance to minimise the use of plant protection products and chemicals** and their consequences on human health and the environment. The integrated crop management system requires specific skills and the commitment of farmers to constantly monitor crops’ health, which Pizzoli supports by providing the necessary technical assistance.

Moreover, Pizzoli supplements the specifications in the Regulations with its own operating instructions, which it shares with farmers by means of a checklist that lays down the fundamental criteria for managing plant protection products, managing water resources, safeguarding biodiversity with particular attention to practices that encourage the presence of pollinating insects.

Pizzoli requires growers involved in table potatoes supply chain to comply with the good agricultural practices defined in the **Integrated Farm Assurance (IFA) Standard** established by **GLOBALG.A.P.**, with farms certified under Option 2. Indeed, in 2021 Pizzoli became head of the certification chain in the aim to improve the sustainability of agricultural activities throughout the Emilia-Romagna region. The Standard requires the application of a systemic approach with specific requirements in terms of food safety and quality, traceability, integrated pest management, soil, water and biodiversity management. An **update of the plans**, procedures and operational instructions for biodiversity management, irrigation water and energy improvement is planned for 2024.

These approaches, together with the experimentation and promotion of precision, regenerative agricultural practices, align with the objectives of the strategies defined by the European Union for the development of a resilient and regenerative agri-food supply chain, for the protection of biodiversity and soil.

**64%**

**Proportion of table potatoes  
from GLOBAL G.A.P. certified farms**



# Side by side with the growers

Pizzoli contributes to the spread of know-how and innovation among growers, so that they can always count on a helpful and attentive partner.

Pizzoli focuses on consolidating long-term business relationships with growers, based on shared values and objectives and efficient collaboration dynamics to support the growth of national agricultural production.

## The key principles to develop the supply chain

### PLANNING

The first step is an effective **organisation and planning of production**, enshrined in long-term contracts, allowing conditions to be negotiated well in advance and ensuring stable prices. This allows growers to plan their activities and possible investments with the assurance of an economic return. This is why negotiations are agreed at least one year ahead of product delivery, with agreements being finalised when Pizzoli delivers the seed. Supplying seed potatoes directly to growers, which on average account for 25% of the cost of production per hectare, means they can avoid the dynamics of speculation and keep costs down.

### FAIR REMUNERATION

During the planning stage, Pizzoli and the growers agree on a price for the crop that guarantees **adequate margins** and includes **bonus systems** based on the quality and quantity of the harvest. In setting the price, the company also assesses the level of profitability of other types of agricultural production so as to also consider a premium margin for producers compared to other crops. Pizzoli also **undertakes to guarantee it will accept all production** even when it has not reached the contracted requirements and standards, to help growers cover production costs, perhaps renegotiating the price. These actions make it possible to establish ongoing relationships and support farm profitability and investments in improved management and techniques.

### TECHNICAL ADVICE

Growers receive support throughout the entire crop cycle through constant **technical advice from Pizzoli’s agronomic staff**, who work with them to choose the best agronomic practices based on the characteristics of the growing areas and the most suitable practices for storage in the immediate post-harvest phase. Every year, when the potatoes are planted, possible contamination risks are assessed and soil chemical analyses are carried out to draw up the fertilisation plan. In compliance with the Regulations for Integrated Crop Management, defence treatments are authorised only when the plant infestation threshold is exceeded, and they are implemented with the approval of Pizzoli’s technical consultants. The existence of this service, directly linked to Pizzoli’s Agronomic Research and Development function, helps farms and practices adopted in the field to evolve, by facilitating the introduction and experimentation of technical advances.

### WORKING CONDITIONS

In addition to the economic and technical aspects, Pizzoli keeps a **close eye on working conditions** and the potential risk of violation of workers’ rights. The company monitors and assists its agricultural partners to ensure that they operate responsibly. On the basis of the identified risk, the company requires or encourages producers to obtain the **Global G.A.P. certification Grasp** (“GLOBAL G.A.P. Risk Assessment on Social Practice”). This is an additional component of the GLOBAL G.A.P Standard on Good Agricultural Practices and it assesses the social aspects of workers’ activities in agriculture. The areas assessed include legal and fair labour relations, wage setting, working hours and the rights of minors.





Pizzoli set up a **dedicated network of associations and farmers** in the aim to develop and promote the growth and innovation of the Italian potato industry within the framework of the European Common Agricultural Policy (CAP). Specifically, this allows Pizzoli to liaise and network with institutions, producer associations, the Consorzio di Tutela Patata Bologna D.O.P. (Bologna Potato Protection), agricultural unions and experimental institutes, and to participate in the renewal of framework contracts.

Among the activities on which the function focused in 2023 was support for Alpropat, a producer organisation active in Northern Italy, in its first year of operation. In particular, Pizzoli assisted the association in obtaining the

Global Gap certification, with positive feedback from producers. Furthermore, in collaboration with the agronomic R&D function, Alpropat members were involved in testing new management practices and defence techniques.

The objectives for the coming years remain the continuous improvement of programming activities, the enhancement of agronomic assistance to support the evolution of agricultural practices, and the promotion of a regulatory and administrative environment favourable to develop potato production in Italy.



**Precious moments of exchange**

In December 2023, the company organised a day dedicated to producers to inform them of the activities carried out by Pizzoli and to involve them personally in promoting an integrated development of the supply chain. The event opened with a session dedicated to the presentation of innovations in agronomic research, highlighting the results of experimental projects carried out in collaboration with partner farms. In addition, the producers were able to visit the new plant in San Pietro in Casale and admire its technological innovations. This occasion turned out to be precious not only for its training value, but above all because it allowed the dialogue and relationship between Pizzoli and its suppliers to be strengthened. Therefore, given the positive feedback, these involvement activities will continue in 2024.





# Extensive know-how renewed over time

Agronomic research and development aims to reduce environmental impacts in the field without compromising crop quality and productivity.

The agronomic R&D function is in charge of research and small-scale experiments - also in collaboration with the University of Bologna and other institutes - with varieties and agricultural practices that can improve the quality parameters of Pizzoli potatoes and increase the productivity of partner farmers' fields while ensuring the efficient use of resources and protecting soil health. The successfully tested techniques and innovations are progressively extended to the farms with the assistance of the technical agronomic service.

Research and experimentation activities focus on four broad areas:



- **Varietal innovation.** Experimentation focuses on the search for new varieties that can perform best in the Italian crop-growing areas. Notably, the company is studying varieties that exhibit:
  - genetic resistance to the main diseases in the aim to reduce the number of defence measures and the amount of pesticides in the soil;
  - efficient use of water and fertilisers; there is a search for varieties that can maximise water and nitrogen uptake in order to reduce inputs by the farmer.

After three years of testing in a test field plot, the process continues with one or two years of experimentation on small areas, before moving on to the final test at the plots of some Pizzoli partner farmers. Collaboration between the Company and the supply chain is indeed a key element of successful varietal research. At the end of this process, depending on the results achieved, the variety can be commercialised on a larger scale.



- **Cultivation techniques.** Pizzoli is testing some types of plant species to be used in green manures for pest control and soil quality improvement. Localised fertiliser application techniques are also being tested to reduce the share of nutrients lost from the soil and the use of dried digestate containing organic matter produced by the company's biodigester to limit the use of chemicals. Finally, the company continues to work on optimising irrigation systems in order to preserve water resources, by experimenting in collaboration with some farmers in the chain.



- **Decision support systems for farmers.** The development of digitalised management systems and innovative technologies will become increasingly central in the transition to a precision, regenerative agricultural model. To this end, Pizzoli is using and promoting the use of a Decision Support System (DSS), i.e. predictive models of the spread of disease to enable farmers to determine the right time to take action and the frequency of application of plant protection products, thanks to a monitoring system that uses information collected by IoT (Internet of Things) sensors in the field. The aim is to build a baseline of information and data on the agricultural practices adopted in the supply chain, i.e. an information base needed to identify improvement opportunities. In this way, with the active participation of Pizzoli's partners, it will be possible to define regenerative development programmes based on clear scientific evidence.



- **Pest and weed control.** R&D constantly searches for defence methods that have the lowest impact on the plant and the environment. Among the most innova-

tive is the testing of new techniques to control elaterids based on "RNA interference". It is a selective and effective system that acts on the genetic code of the insect, using biological rather than chemical active ingredients. Not yet approved in Italy, Pizzoli is testing the method and gathering useful information to develop sustainable defence techniques.



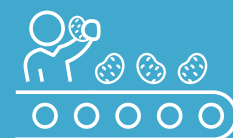
## The advantages of precision techniques

For years, Pizzoli has been working on the development of precision techniques and systems with the dual aim of preserving potato plants from the physical stresses of climate change and protecting natural resources by reducing their consumption. Among the most interesting and promising areas of experimentation are:

- **the use of IoT sensors to analyse the water requirements of crops:** the farms involved in the test were provided with soil moisture sensors to position in the field. These are capable of transmitting data kilometres away with very low energy consumption. The data collected can be used to calculate the parameters required for successful irrigation management. This allows growers to plan irrigation operations at the most appropriate times and adjust the amount of water needed to reduce over-watering and maximise its effectiveness.
- **the spread of high-efficiency irrigation systems including drip irrigation:** Pizzoli has been working with Italian irrigation equipment manufacturers to develop and promote the use of light dripline and sprinkler irrigation for potato crops to its partner farmers. This method provides a saving of 30-40%. It also allows the nutrients needed for potato growth to be conveyed through the irrigation water in a precise and rational manner, significantly reducing their loss into the environment. Actually, compared to other distribution systems, 10% to 30% fewer fertiliser units are administered. In addition, being low-pressure techniques, they require less energy to pump the water.







## AT THE HEART OF RESPONSIBLE PRODUCTION



Efficiency and circularity drive the management of production activities in Pizzoli to safeguard resources and reduce the footprint on the environment.

**-20%**

REDUCTION  
OF THE INCIDENCE OF  
PRODUCTION WASTE

**100%**

OF THE BYPRODUCTS FROM RECOVERED  
POTATO PROCESSING WASTE

**152,722**

LITRES OF BIOFUEL PRODUCED  
FROM THE RECOVERY OF WASTE FRYING OIL

# A virtuous partnership under the banner of circularity

## FROM WASTE TO RESOURCE

One of the key principles of the circular economy is to prevent a product from becoming waste in a short time by extending its life cycle through recycling operations. The recovery of used vegetable oils from households and food industries transformed into biodiesel is an example of how a waste can become a new resource useful in everyday life.



**260 thousand**  
tonnes of waste oil produced annually<sup>a</sup>



**1.7 million**  
tonnes of biofuels consumed<sup>b</sup>

The data refers to Italy.

## A TERRITORIAL LINK AND A SHARED VISION

The collaboration between Pizzoli and Gruppo Hera stems from territorial proximity and a shared vision of sustainability, with the aim of exploiting industrial waste:

**1**

### Collection

Hera collects used vegetable oils from citizens in the areas it serves and from over 1,400 companies, including Pizzoli.

**2**

### Refining

The oils, after an initial treatment that removes impurities and water, are sent to the biorefinery for biofuel production.

**3**

### Redistribution

The biofuel produced is distributed at service stations throughout Italy.

**4**

### Use

Citizens can use this biofuel in their vehicles, thus contributing to the circularity of the energy and mobility sectors.

a) Chemicals and Industry, 2023. Use of waste vegetable oils as raw materials by the chemical industry.

b) Of which 38.7% can be defined as "advanced", i.e. not in competition with the agricultural sector (no land subtraction) and food (no products that could be used for human or animal consumption). GSE, 2022. Energy in the Transport Sector.

c) Official European studies (RED II Directive and RED III update).

## A GROWING PROJECT

The project is growing in parallel with Pizzoli's business expansion. With the opening of the new plant in San Pietro in Casale, the production of waste vegetable oil has increased significantly, reaching 150 tonnes in 2023, transformed into 152,000 litres of biofuel.

## RELIABILITY AND TRANSPARENCY

The collaboration with Hera relies on the reliability and transparency of the project. Pizzoli found in Hera a solid and competent partner, able to guarantee not only compliance with environmental standards but also competitive economic management.

## CERTIFIED ENVIRONMENTAL BENEFITS

**-83%**

tonnes of CO<sub>2</sub> avoided by biofuel production  
from vegetable oils compared to traditional fossil fuels<sup>c</sup>.

In 2023, Pizzoli helped to avoid the emission of **420 tonnes of CO<sub>2</sub>**, equivalent to planting **4,200 trees**. With this collaboration, Pizzoli and Hera demonstrate that it is possible to integrate environmental sustainability into business strategies, achieving tangible benefits for both the environment and the economy.

“

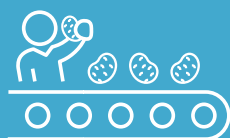
We are excited about this collaboration with Pizzoli, which is a virtuous example of a circular economy. The project proved to be not only environmentally sustainable, but also cost-effective. By collecting and refining used vegetable oils, we are able to produce a biofuel that significantly reduces CO<sub>2</sub> emissions, thus contributing to the fight against climate change. The transparency and reliability of our work is crucial to the success of this initiative, which we continue to develop with determination.”



**Mr. Pierluigi Reggiani**

Enhancement project manager  
waste vegetable oils, Hera Group





## WHAT WE DO IN PIZZOLI

Pizzoli's production activities require a lot of energy, which is why since 2010 the company has been investing in renewable energy production through a biomass plant, fuelled entirely by potato processing waste. The San Pietro in Casale facility was also integrated with a biogas production plant. In the future, Pizzoli is planning to increase its capacity to produce its own renewable energy from alternative sources.

### Potential areas of impact

- 1 Direct consumption of energy resources and fossil fuels for production processes
- 2 Release of greenhouse gas emissions
- 3 Consumption of water resources in the production processes
- 4 Waste and water management
- 5 Management and use of by-products and production waste

## Becoming a Pizzoli potato

Thanks to the best technology and the expertise of specialist personnel, the selection and processing stages enhance all the goodness and genuineness of Pizzoli potatoes.

As an operator specialised in both fresh and frozen products, it is necessary to **develop and manage two dedicated divisions**, using processes and systems with specific characteristics due to the different types of processing required.

The **Baricella** operating unit receives the potatoes that are intended for fresh produce stalls. Here, after destoning, the potatoes are then washed or brushed to remove any residue and foreign bodies that may compromise the safety of the product, also improving its appearance. Optical and manual systems are then used to sort the potatoes to eliminate the ones with colour and size defects that do not meet the quality criteria. At this point, the potatoes proceed to the packaging lines to be prepared for shipment that generally takes place on the same day.

The frozen products are produced in **Budrio** and - from September 2023 - also in **San Pietro in Casale**. The incoming potatoes are checked and washed, then steam-peeled. After this, they are cut, pre-cooked, dried and pre-fried. Now ready, the fries are cooled and deep-frozen before being sent for packaging. The finished product is stored in cold stores at the San Pietro in Casale site until dispatch.



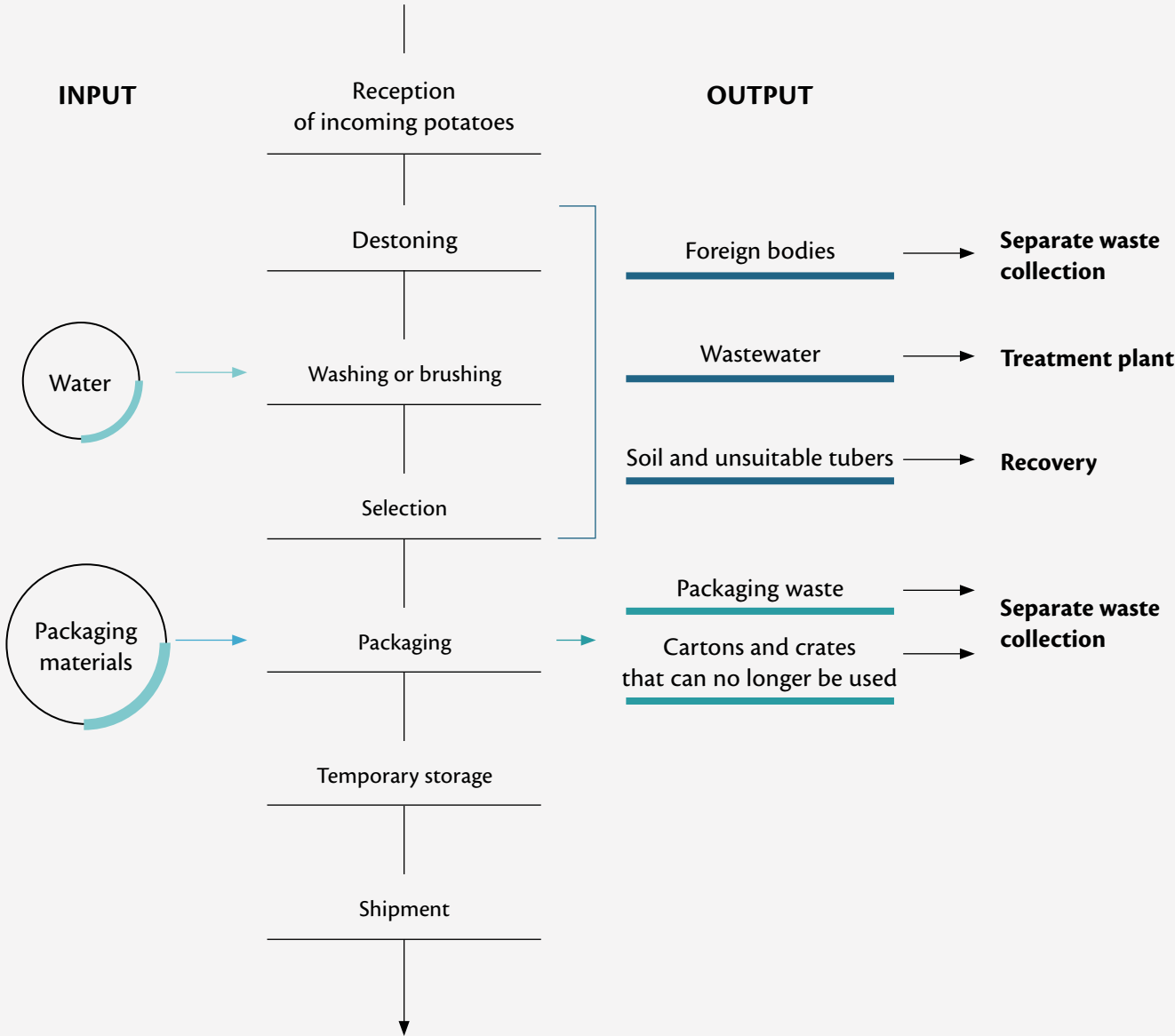
### The largest production centre in Italy

Construction work on Pizzoli's second production plant in San Pietro in Casale was completed before the summer of 2023. It covers a covered area of 40,000 sqm in a decommissioned former industrial area. As of July, the first test phases began, with non-commercial trial productions required to test the plants. As early as August, the first quantities of a commercially viable product were obtained. The start-up of activities immediately led to the creation of 60 jobs, which are expected to further increase. In fact, it is expected that by 2025 the plant will reach its maximum potential production capacity of around 68,000 tonnes per year, almost 60% more than the production capacity of the Budrio facility. San Pietro in Casale was built with a EUR 75 million investment, also supported by a development agreement with the Ministry of Enterprise and Made in Italy (Mimit) and a EUR 45 million loan from Intesa Sanpaolo.



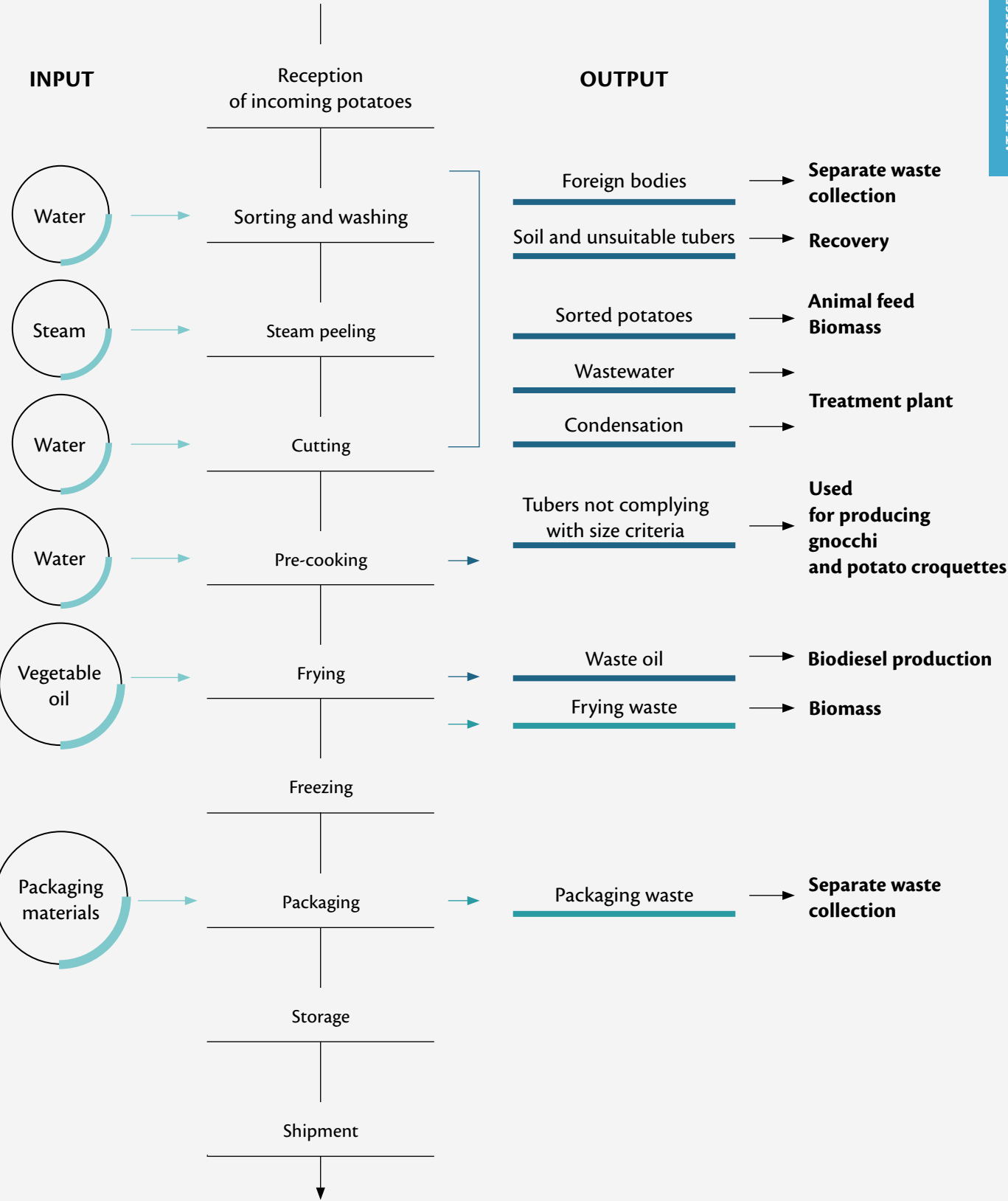
THE NEW FACILITY IN SAN PIETRO IN CASALE

# PROCESSES TO SELECT FRESH POTATOES



- Resources, ingredients and input materials
- Recovered and reused processing waste
- Other waste
- Destination

# PROCESSES FOR PRODUCING FROZEN FRIES





The production of frozen potatoes requires more resources and generates more by-products than table potatoes for consumption. As a result, the associated impacts are also more significant. Pizzoli adopts a two-fold approach to manage them:

1

MONITORING AND MANAGEMENT SYSTEM

Pizzoli has adopted an **ISO 14001 certified Environmental Management System** at its Budrio and San Pietro in Casale facilities. The company has defined specific procedures for analysing impacts and monitoring performance that allow it to control the efficiency of processes and identify areas for improvement. During the annual review of the management system, the progress of the monitored indicators is assessed and the achievement of the set objectives is verified.

2

PROCESS DESIGN



The plants are designed to **recover some of the heat generated by processes and utilise heat exchange**. For example, low-temperature water drawn from wells is used to cool the potatoes in the early stages of the freezing process, thus reducing the energy input required. At the same time, the water absorbs the heat released from the freshly fried potatoes and is heated for use in other processes that require high-temperature water.



After the treatment and testing cycle, **some of the wastewater is recovered** for reuse in non-food processes. Organic compounds released in the process water are eliminated to prevent contamination of the local ecosystem.



**100% of potato processing waste is reused for the production of renewable energy from biomass** through the biodigesters at Budrio and San Pietro in Casale or sent to external plants. Pizzoli also searches for useful destinations for other processing materials and waste substances.



The frying system makes it possible to **maximise oil consumption, measuring its use and replenishing it gradually on the basis of the amount absorbed by the potatoes** during the cooking process. This reduces the quantity of vegetable oil requiring disposal. Since 2022, Pizzoli has been recovering waste oil that is collected and transformed into biofuel in partnership with the company HERA.



BUDRIO FACILITY



# The energy required

The production processes require a large amount of energy. This is why the company is constantly looking for new solutions to improve energy efficiency and thus reduce its carbon footprint.

Careful monitoring of consumption and efficiency indicators is essential **for an ongoing analysis of needs and possible synergies to maximise energy recovery.** In addition to internal analyses and audits, the facilities undergo periodic energy audits to identify opportunities for further efficiency improvements beyond what has already been implemented.

The increased production has meant a natural increase in energy consumption for Pizzoli; the plant is still undergoing testing and evaluation. As a result, consumption and efficiency parameters have changed significantly from previous levels and are not yet a representative baseline following the changes that have taken place. The indicators are expected to reach optimum and normalised levels at the end of the first full year of operation in San Pietro in Casale. This will enable the acquisition of normalised and more reliable data against which performance improve-

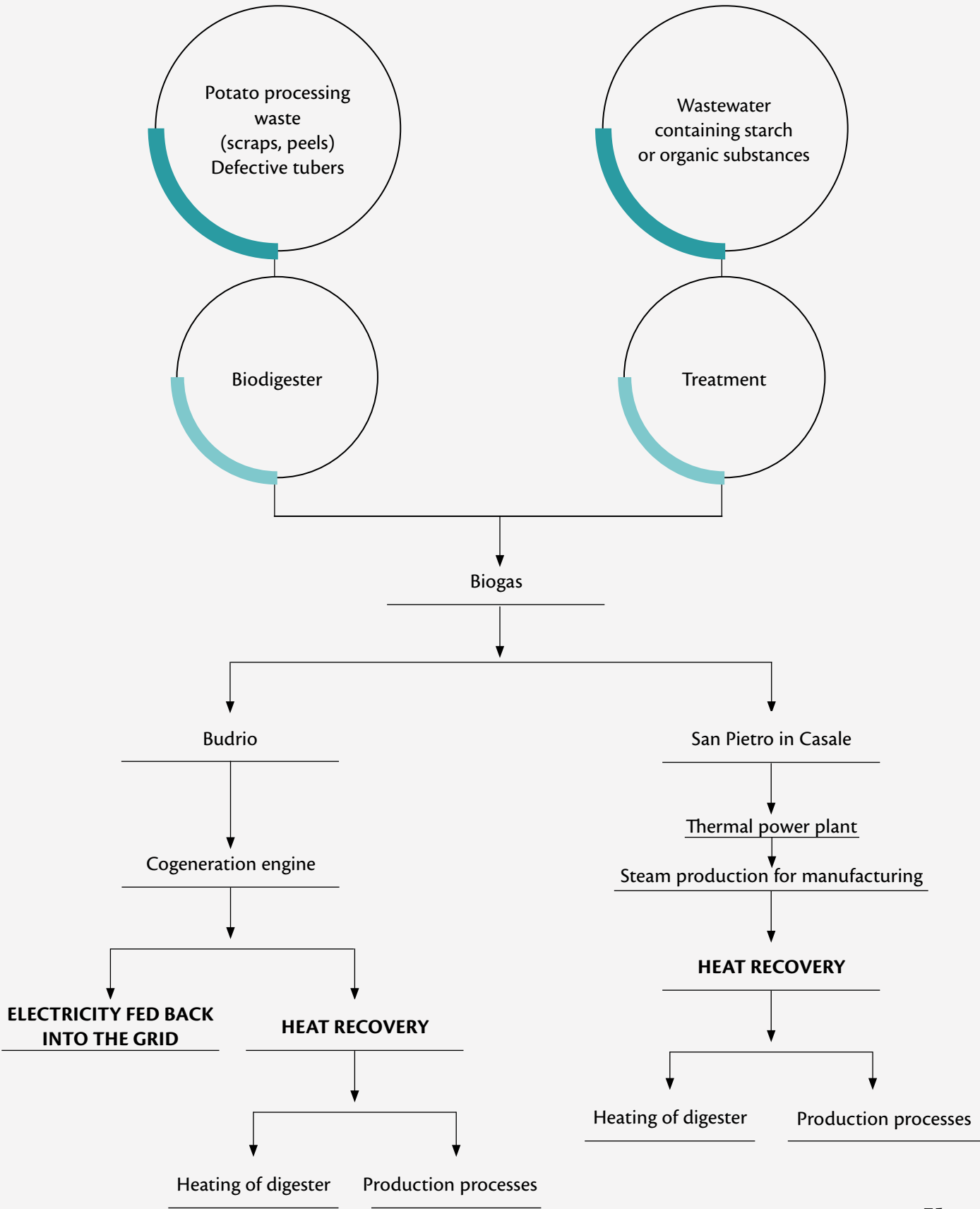
ment targets can be set.

In the frozen food production facilities, **methane gas** fuels the thermal power plant and a CHP plant (in Budrio) or trigenerator (in San Pietro in Casale) that produce heat for heating process water and producing steam. Biogas produced from the digestion of potato processing waste and treatment is also used to power the CHP plant in Budrio. This generates a portion of thermal energy (10,266 GJ in 2023) that is reused for heating the biodigester itself and for production processes, while the portion transformed into electricity is fed back into the grid. In 2023, the total energy produced by the digester was 3,226,643 kWh (down 36% on 2022), of which 99% was fed back into the grid. In San Pietro in Casale, on the other hand, the biogas will feed the thermal power plant.



BIODIGESTER AT BUDRIO

## Production of renewable energy from biomass





In addition to methane gas, **diesel** is another fuel used in production activities, for the generators and forklifts.

**Purchased electricity** is used for the main processes, such as cooking, frying and packaging, and for auxiliary services, such as treatment and supplying the cold stores, as well as for maintaining general services. In 2023, Pizzoli purchased 15,342,581 kWh of electricity, a 51.6% increase compared to 2022.

Lastly, the organisation's consumption includes fuel for company-owned cars and vans, which are powered mainly by diesel and to a small extent by petrol. The fleet consists of 28 cars, including one petrol hybrid and one plug-in hybrid, and eight commercial vehicles, which in total travelled almost 786,000 km in 2023.

In 2023, the **total energy consumption** of 358,871 GJ increased by 22.8% when compared to 2022 and by 21.9% when compared to 2021. The **share of renewable energy** consumed by the organisation, represented by heat recovered from biodigestion and from processes, was 0.02% in 2023 and 0.13% in 2022 respectively. On the other hand, in 2021, the company also purchased renewable electricity with Guarantees of Origin, increasing the share of renewable energy consumed to 13.12%. At the same time, Pizzoli contributes to the production of renewable energy that enters the national energy mix through the electricity gen-

erated by the biodigester fed back into the grid. For the next three to five years, the company is considering an investment plan in energy from renewables.

With preparations for starting up the production plant in San Pietro in Casale, total in-house production volumes have increased over the last two years from 65,655 to 75,099 tonnes. As expected, testing and commissioning of the new plant required energy consumption for processes that were not yet generating output or not optimised. This was reflected in the value of the **energy intensity**<sup>7</sup> of total production (which considers both the frozen and fresh division), which increased from 4.29 GJ/t in 2021, to 4.41 GJ/t in 2022 to 4.74 GJ/t in 2023. The increase in 2023 is also due to the need to use methane gas at the San Pietro in Casale thermal power plant, which from January 2024 also runs on biogas and will positively influence the index trend. Whereas, looking only at consumption at the Budrio plant, there was an improvement in efficiency. In fact, the plant's energy intensity was down by 6.6% between 2022 and 2023. Pizzoli expects to reverse the overall trend after a period of start-up and commissioning of production activities at San Pietro in Casale.



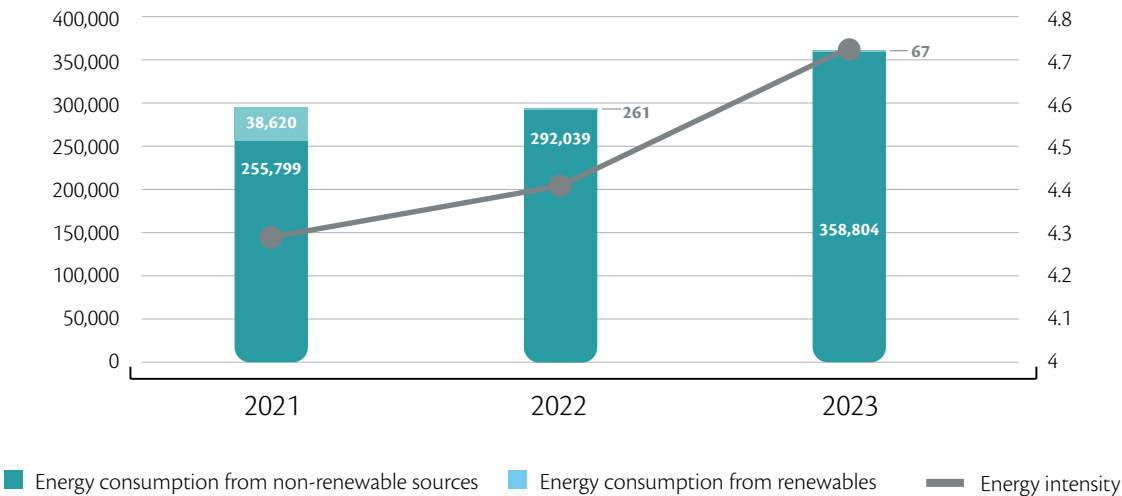
**Efficiency and circularity underpin the new facility**

As with the Budrio plant, the production facilities in San Pietro in Casale were also designed according to circular economy principles. However, as this is a new centre conceived and built from scratch, it was possible during the design phase to maximise the potential for circularity and recovery of thermal waste and, of course, to take advantage of the technological innovations introduced to the market in recent years.

All processes are synergetic and studied to avoid energy loss, which is instead recovered and reused in other processes, reducing the electricity required:

- all the biogas produced by the biodigester and water treatment feeds one of the two boilers of the facility's thermal power plant, maximising the capacity utilisation of self-produced renewable energy;
- the steam generated by the peeling and frying processes is recovered from special chimneys and used to heat the water that feeds the dryer. When production is up and running, it is expected that the steam produced will also be used to heat the water in the cooker;
- the condensation water generated during frying is recovered and returned to the boiler;
- the freshly fried potatoes naturally release heat to the refrigerating circuit containing liquid ammonia used in pre-cooling systems, cooling themselves and allowing less energy consumption for the subsequent product freezing stages;
- the potato storage cells use the free cooling system: whenever possible, the outside temperature is used to lower the temperature of the cells, through automated shutters that allow heat exchange.

**Total energy consumption (GJ) and energy intensity (GJ/t)**



<sup>7</sup> Calculated as the aggregate of natural gas, diesel, electricity purchased from the grid and energy produced by the biogas-fuelled CHP plant and consumed, in relation to annual internal production.



# Emissions

In order to carry out its production activities, Pizzoli is subject to the integrated environmental authorisation (**Autorizzazione Unica Ambientale - AUA**) for small and medium-sized enterprises, which defines the permitted thresholds for climate-altering emissions released into the atmosphere, wastewater discharges, noise pollution and odour emissions. All emissions into the air are authorised with the obligation of annual self-monitoring to be entered in the emission register available to public control bodies.

The **direct emissions (Scope 1)** generated by Pizzoli are associated with the consumption of fuels needed for production and heating offices and fuels for the vehicle fleet. Direct emissions also include emissions generated by the thermal combustion systems, the system to reduce the emissions generated by the dehydration of residual biomass processed by the digester, and the system to reduce the oily particles from frying and dust from spicing.

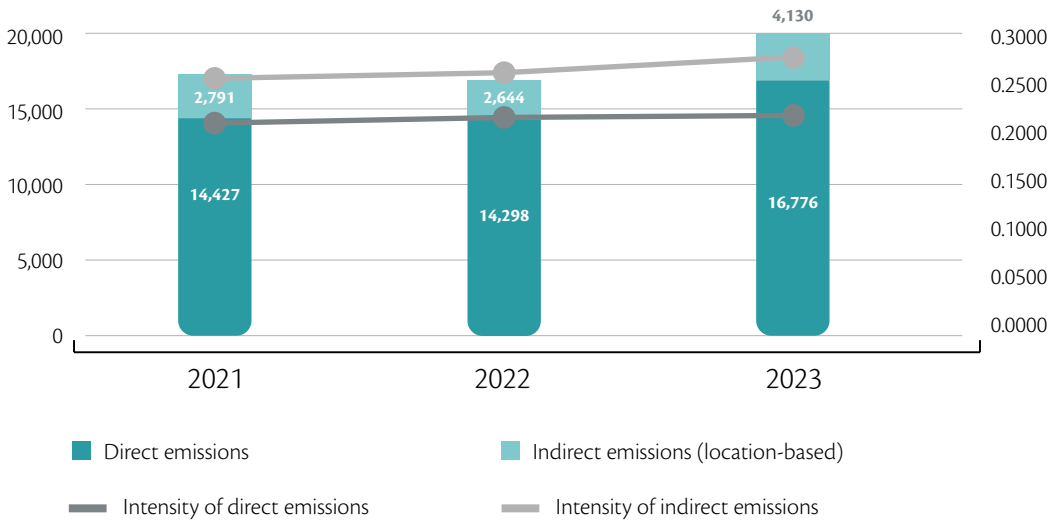
In addition, the systems are regularly serviced and possible refrigerant gas leaks are checked. The climate emissions monitoring system is based on a self-monitoring programme that estimates the scale of emissions from measurements of their concentration and flow rate, in compliance with the AUA requirements.

Although the data processed by the self-monitoring system may be slightly variable due to the estimation methods, the analytical checks conducted have always confirmed that Pizzoli's activities are below the authorised emission limits. Commissioning of the boilers in the new plant increased the need for natural gas compared to the previous two years. This contributed significantly to the overall increase in direct emissions (Scope 1): from 14,298 tonnes of CO<sub>2</sub> equivalent in 2022 to 16,776 t CO<sub>2</sub>equivalent in 2023 (+17.3%). However, emissions from car fuels and refrigerant gas dispersion were down by 20.7% and 33% respectively.

The **indirect emissions (Scope 2)** are generated by the purchase and consumption of electricity from the grid. In 2023 these amounted to 4,130 t CO<sub>2</sub> and according to the location-based<sup>8</sup> method, up 56.2% compared to 2022 (2,644 t CO<sub>2</sub> e). If calculated according to the market-based method, however, indirect emissions amounted to 7,045t CO<sub>2</sub> equivalent, up 51.7% compared to 2022 (4,643t CO<sub>2</sub> equivalent).

In 2023, the **overall emission intensity<sup>9</sup>** increased by 7.9% over 2022 and 10.1% over 2021. Like energy, the performance was conditioned by the operational environment associated with setting and starting up the new facility.

Total direct and indirect emissions (t CO<sub>2</sub>e) and emission intensity (t CO<sub>2</sub>e/t)



8 The location-based method reflects the average intensity of the emissions related to the networks that supply the energy, while the market-based method indicates the emissions related to the electricity the company has decided to purchase.  
9 Calculated by considering Scope 1 emissions and Scope 2 location-based emissions in relation to tonnes of production.

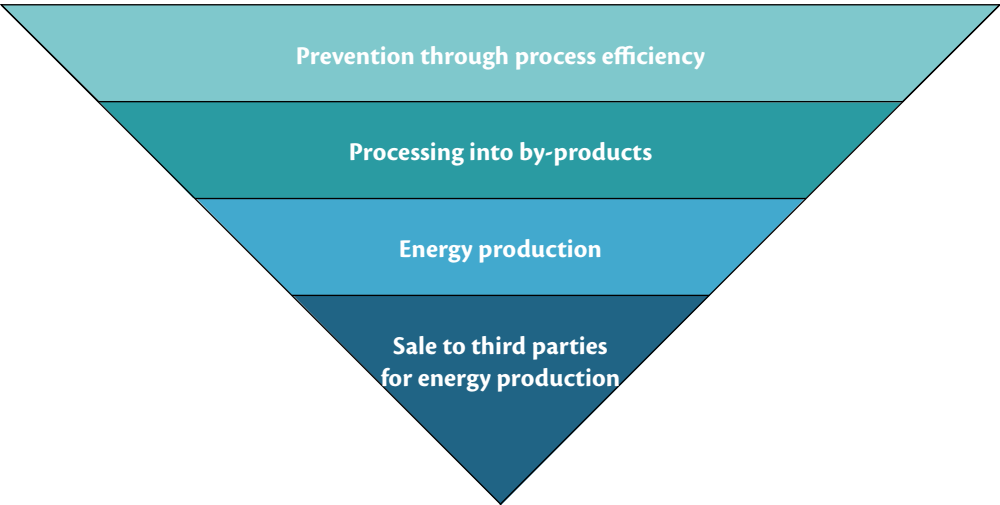




# From the Earth to the Earth

In order to conserve resources and prevent any waste, Pizzoli's processes are marked by the recovery of all types of waste, valorised internally or through virtuous collaborations with other companies.

## The Pizzoli approach

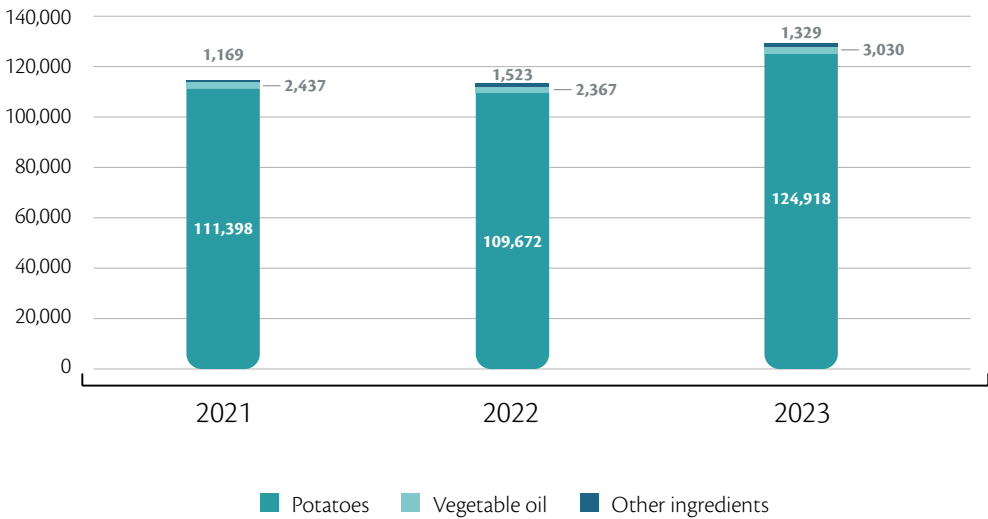


## Preventing food waste

97% of the raw materials used for production are table potatoes and for frozen lines. For this reason, Pizzoli pays great attention to selecting agricultural partners, agronomic support services and research into new varieties and techniques to produce high-quality potatoes.

The remainder is high oleic sunflower oil for frying and other ingredients such as flour, breadcrumbs, spices and other minor ingredients.

## Raw materials used for production (t)

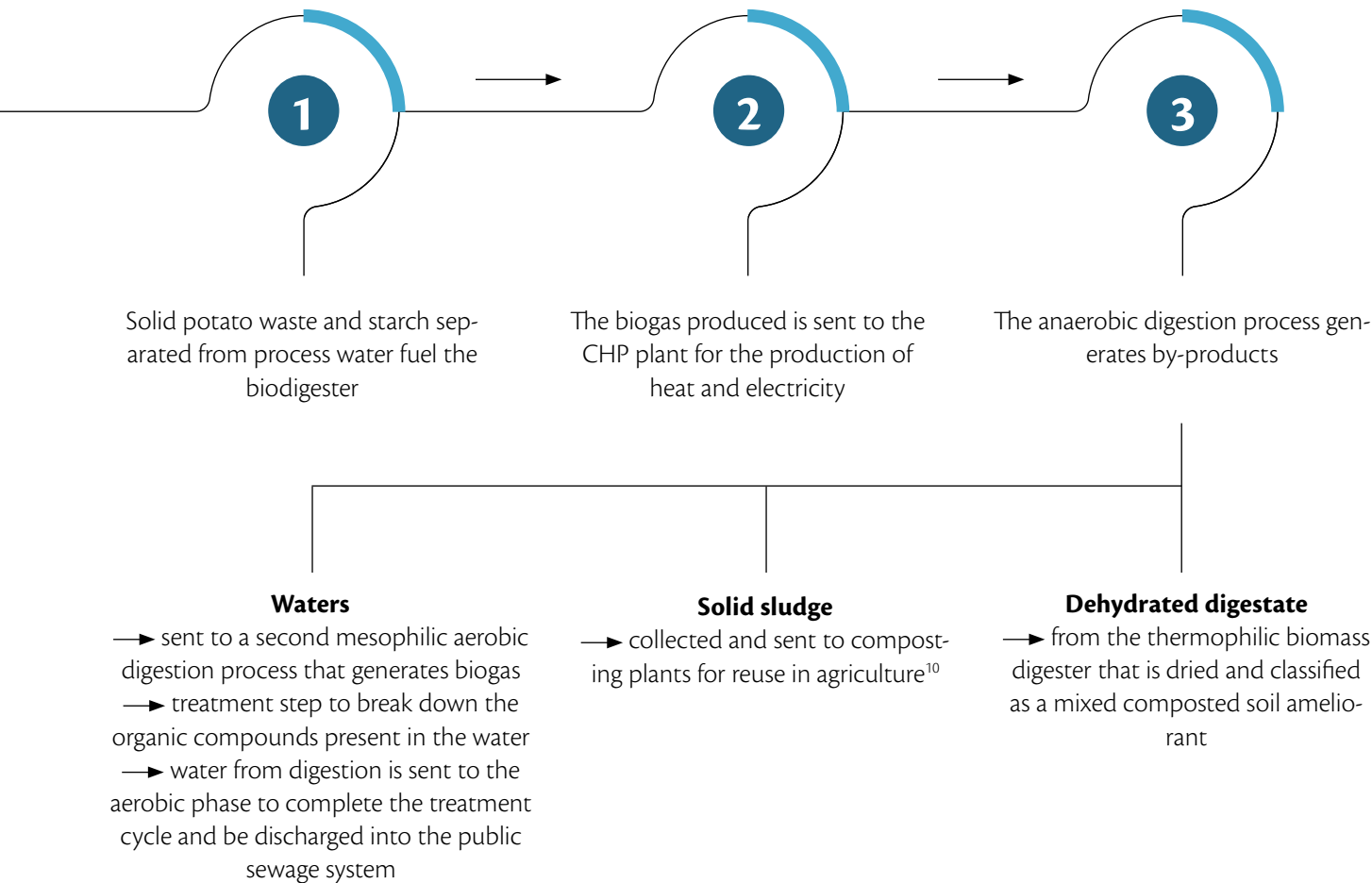




During the processing stages, such as washing and cooking, it is natural for potatoes to lose some of their organic matter. The wet part evaporates into the atmosphere and is condensed in heat exchanges, while some starch is released into the water. In addition, other solid waste is generated in the sorting, peeling and cutting processes. The nature of the product and processing means that the average yield of the finished product versus the number of potatoes fed into the lines is about 50%. So, on the one hand, Pizzoli strives to optimise its production processes to maximise the yield; on the other hand, **it recovers 100% of the scraps to avoid wasting food resources**. In 2023, the potato by-products generated by the production processes amounted to 32,280 tonnes, down from 32,922 tonnes in 2022 (-2%), mainly due to optimisation

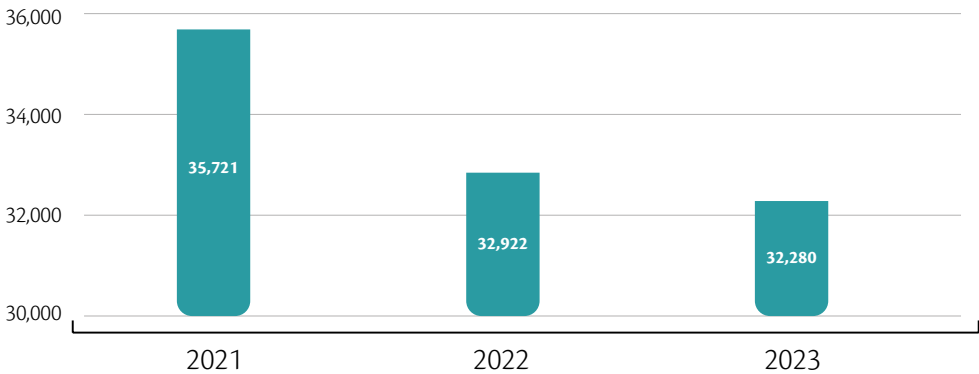
of the fresh division's potato processes. Some of these were used in the production of gnocchi and croquettes, while the remainder **was earmarked for the production of renewable energy from biomass**. In 2023, the biodigesters in Budrio and San Pietro in Casale received and processed 26% of the collected by-product volumes. The rest was sent to external biodigesters. Normally, the Budrio digester alone has the capacity to receive 50% of the by-products generated by the plant, but prolonged maintenance of the anaerobic process has led to a reduction in the input of by-products into the digester. As a result, the extraction of soil ameliorant from anaerobic digestion was also reduced.

Anaerobic digestion process: new resources from waste

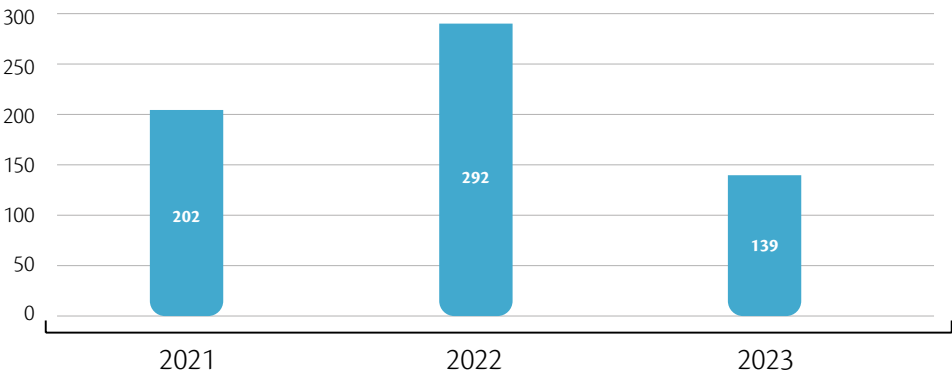


<sup>10</sup> The biodigester at the new facility in San Pietro in Casale is designed so that the sludge can be fed back into the biodigestion process together with the biomass for further processing. Once exhausted, recovered heat can be used to dehydrate the mixture and can then be used in agriculture as a soil ameliorant.

Quantity of potato processing waste recovered and sent for energy recovery (t)



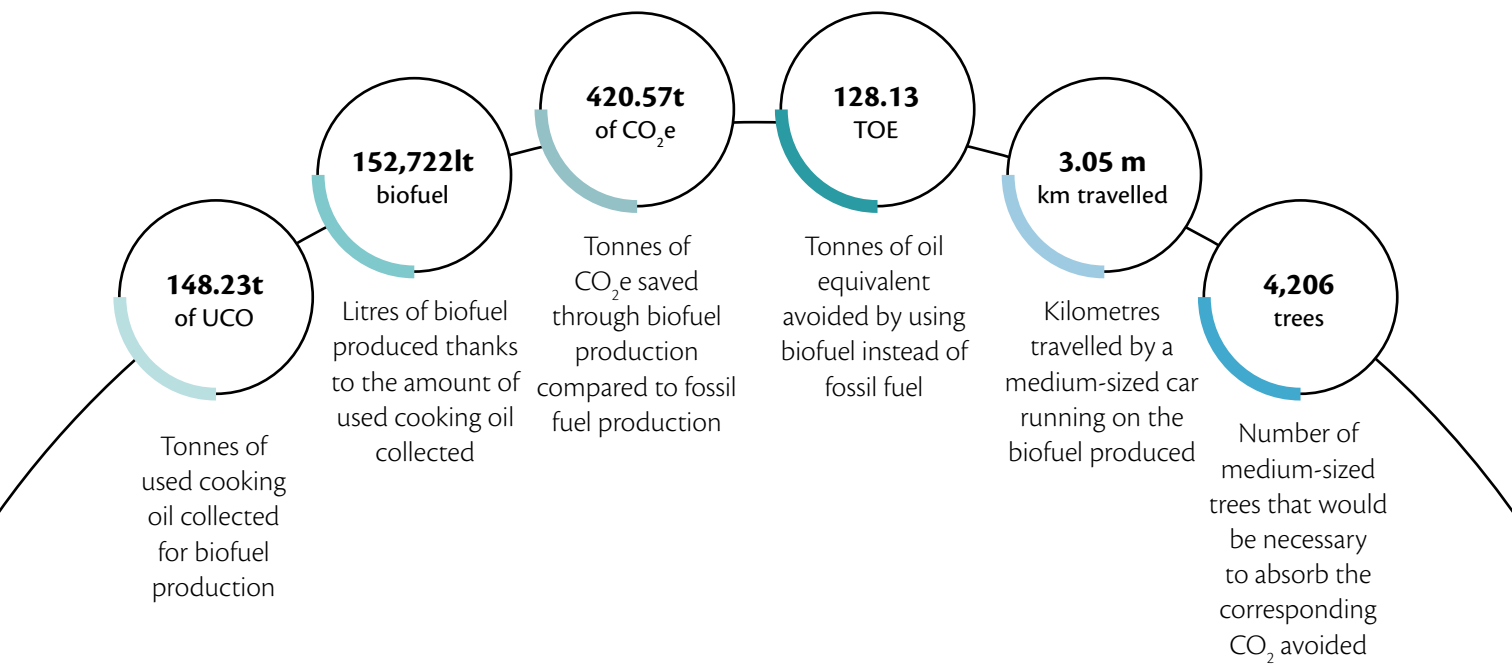
Soil ameliorant derived from the bio-digestion of by-products (t)





In 2022, Pizzoli signed up to a **project in partnership with Hera**, the multi-utility company that manages the supply of energy and environmental services to citizens and businesses in the area of the facilities, **to recover the used vegetable oil from frying and turn it into a new resource**, creating a virtuous circular economy process. The collected oil is used to produce **biofuel**, which is partly fed into the Eni Diesel+ fuel available at the service station pumps. Hera's chain to recover and process used cooking oil (UCO) entirely of vegetable origin is certified by ISCC<sup>11</sup>, since all stages of the process generate 83% less carbon dioxide emissions than the production of fossil fuel oil. In addition to helping to reduce climate-altering emissions, the correct management of UCO at Pizzoli avoids the risks of improper disposal of oils into the environment.

In 2023, the collection of cooking oil from Pizzoli contributed to the production of **152,722 litres of biofuel**. This represents an annual saving of 128 TOE (tonnes of oil equivalent) and 420 tonnes of CO<sub>2</sub>e. The carbon dioxide savings achieved are equivalent to the CO<sub>2</sub> absorption generated by approximately 4,206 medium-size plants. The biofuel produced would be sufficient for mid-size diesel-powered cars to travel for a total of more than 3 million km.



Source: Hera for Pizzoli. Environmental Report. OVE 2023.

11 International Sustainability and Carbon Certificate.

# Responsible waste management

In order to properly collect and manage the waste generated by its activities, Pizzoli has implemented a **system to separate** the different types of non-hazardous waste and special waste, to prevent the loss or improper disposal of hazardous waste in particular, including mineral oils used in the systems and for maintenance activities, electrical and electronic material and batteries.

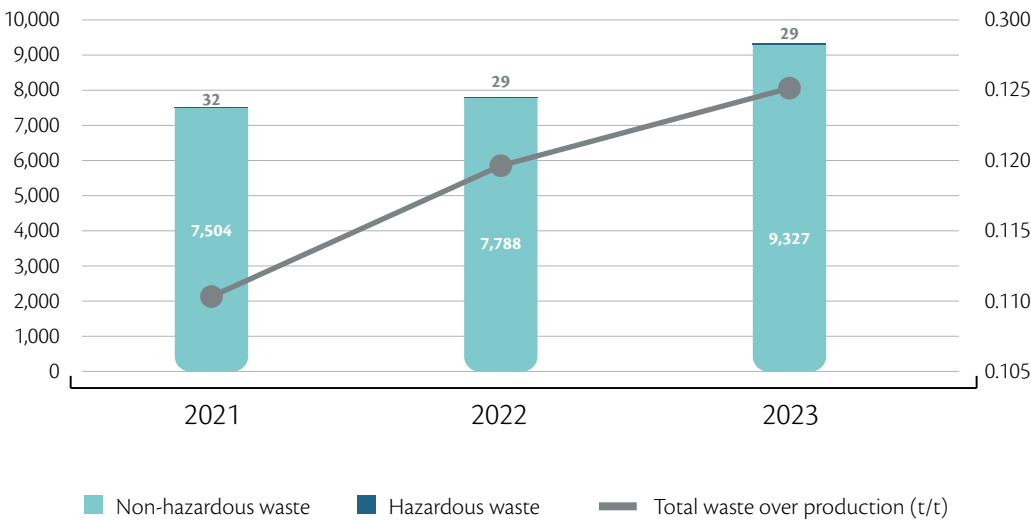
The waste collected is classified and stored in temporary storages inside the company until it is transported to authorised facilities for its treatment or disposal. Loading and unloading data are logged in dedicated registers, and transportation and destination information is entered on waste identification forms. Finally, the quantities produced are entered in a company database and reported annually through the environmental declaration form (Modello Unico di Dichiarazione ambientale - MUD). Pizzoli verifies that the environmental operators it uses are properly registered and certified and monitors waste disposal operations to ensure that they are conducted in compliance with contractual or legal obligations.

In addition to organic waste and used cooking oil, which are fully recovered, the main types of waste produced by the organisation are substances derived from treatment

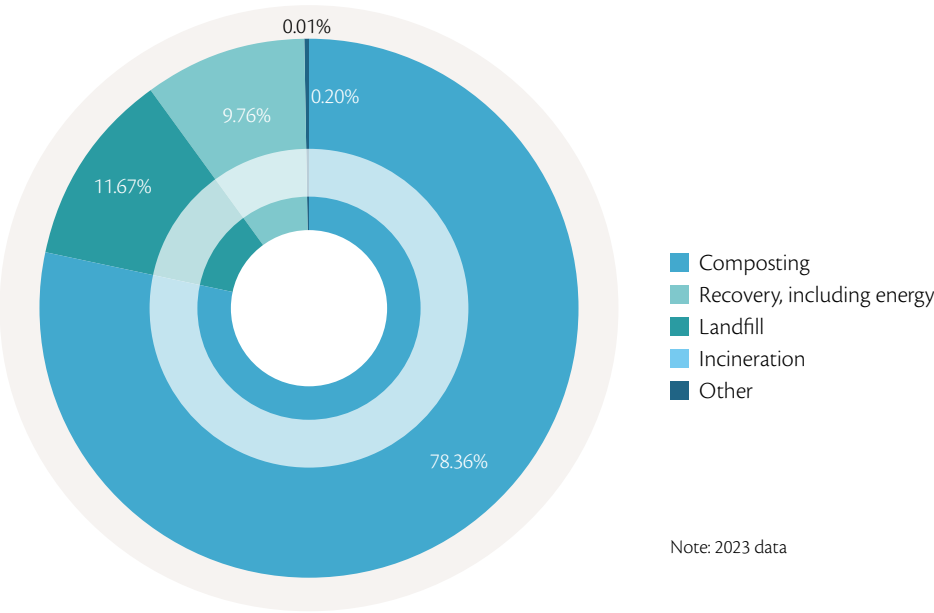
activities, packaging waste, materials used for office activities, and other types of materials such as steel and iron resulting from maintenance activities. Waste produced upstream in the value chain consists of plastic, paper and wood from incoming raw material packaging. Whereas, primary packaging and secondary packaging as well as organic waste from table potatoes after consumption are the types of waste generated downstream in the value chain.

In 2023, the Company generated 9,356 tonnes of waste, a 19.7% increase compared to 2022. 99.7% of this is non-hazardous waste, with the main percentage being waste that is unusable for consumption or processing and sludge from effluent treatment that is sent for composting. The share of non-hazardous waste increased by 19.8% compared to the previous year, as a result of increased production activities, while the share of hazardous waste remained almost stable (-1%). If the waste generated is related to tonnes of production, it can be seen that the index has risen only slightly (+4.6%) compared to 2022, reflecting the fact that efforts have been made to maintain good levels of efficiency despite the testing and start-up period of the new plant.

Non-hazardous and hazardous waste (t)



Waste by destination

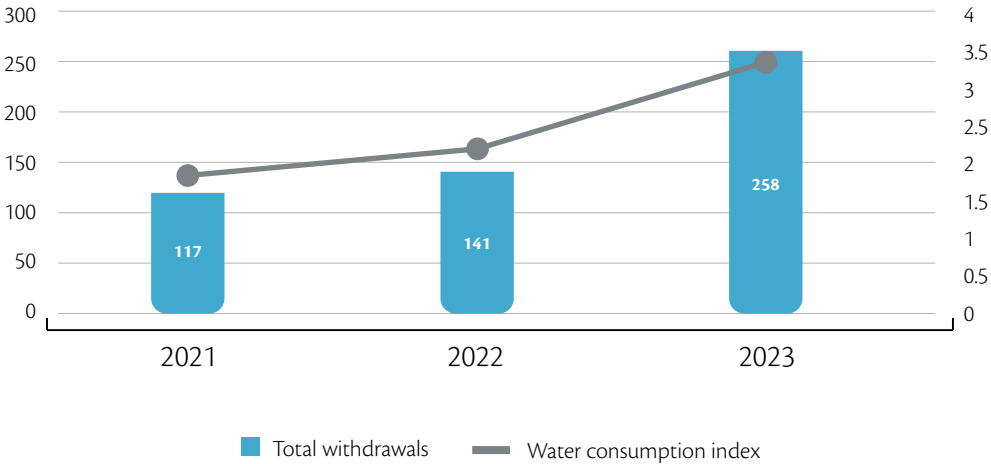


Every drop is precious

The production processes require a significant amount of water. Not only is water used to wash and convey the potatoes along the lines, but in the case of the frozen product it is also used in the pre-cooking and cutting stages, as well as in the technical processes such as cooling circuits and for the production of steam for heating the cooking water. A smaller proportion is also used for washing and sanitising production lines and work areas and for the operation of the bathroom facilities for staff use.

Most of the water is withdrawn from underground sources and, to a much lesser extent, from the mains. In 2023, a total of 258.36 megalitres of water was withdrawn (up compared to the 140.93 megalitres in 2022), 256.79 from groundwater and 1.58 from the mains. 3.4 m<sup>3</sup>/tonnes of potatoes produced is the **water withdrawal index** recorded in 2023. Like the other production efficiency indices, there was an increase in values compared the previous two years (2.1 m<sup>3</sup>/t in 2022 and 1.7 m<sup>3</sup>/t in 2021).

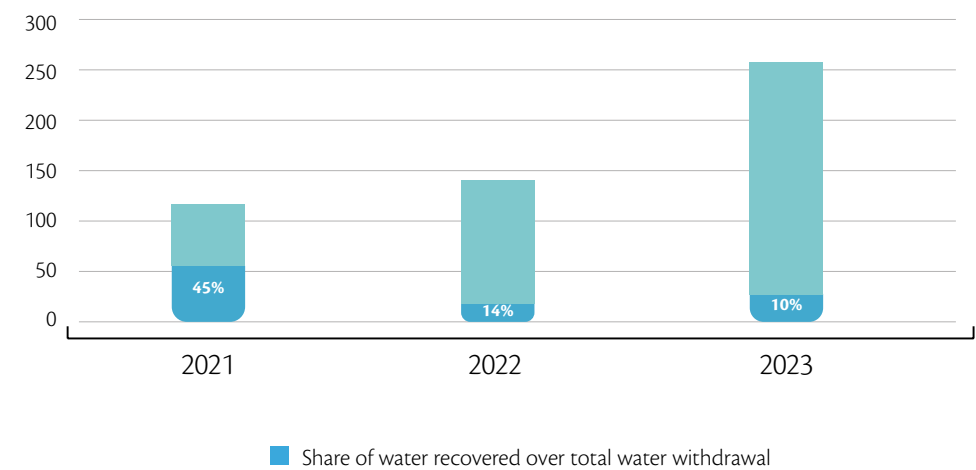
Water withdrawal (in megalitres) and water withdrawal index (m<sup>3</sup>/t)



Pizzoli **recovers part of the treated water and reuses it in non-food processes**. In 2023, 27 megalitres were recovered, up from 20 in 2022. However, the share over the total is slightly decreasing (from 14% to 10%).



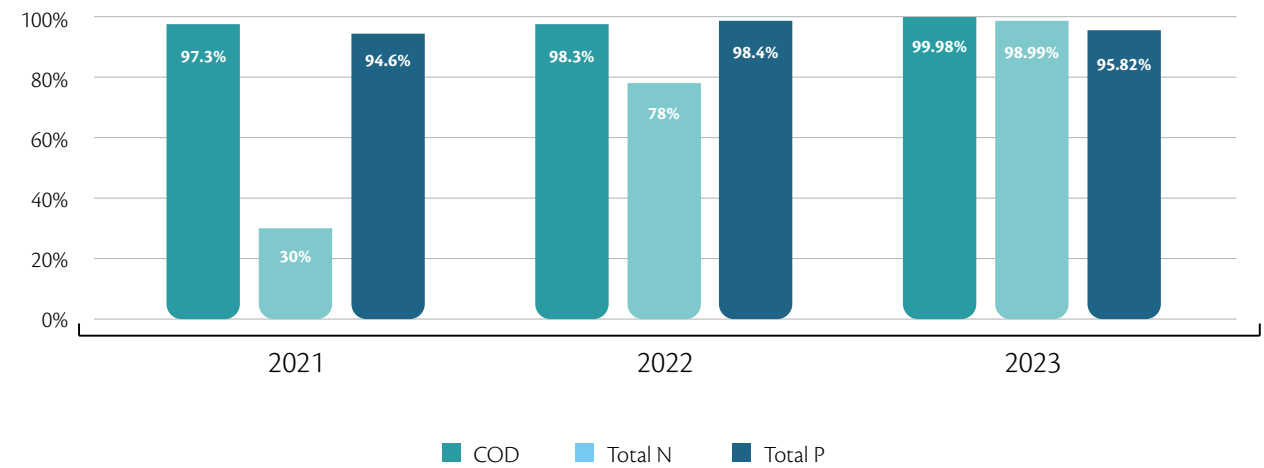
Water recovered out of total water withdrawal (megalitres)



The treatment process is essential to **reduce the organic compounds** released by the potatoes during production processes and make the water suitable for discharge, **avoiding the risk of contaminating local water and ecosystems**. Nitrogen, phosphorus and organic com-

pounds are the main substances reduced. In particular, in the last two years Pizzoli has made investments to improve performance in the removal of nitrogen forms, which increased from 30% in 2021 to 99% in 2023<sup>12</sup>.

Percentage of polluting compounds reduced as a result of water treatment



Note: COD (chemical oxygen demand), N (nitrogen compounds), P (phosphorus compounds)

<sup>12</sup> The data refer to the average amount (in kg) of compound reduced per day.

**Part of the phosphorous** reduced by the treatment system **is recovered to obtain**, through the addition of magnesium hydroxide, **struvite** crystals, a phosphorous and magnesium compound used in agriculture and other industrial applications. In 2023, 7 tonnes of struvite were recovered.





## THE ROAD TO THE TABLE



Care in the choice of packaging and rigour in storage and distribution preserve all the quality of Pizzoli potatoes on their journey to consumers.

~33%

REDUCTION IN THE THICKNESS  
OF PLASTIC PACKAGING FILM

100%

FSC RECYCLED CARDBOARD  
FOR PACKAGING



# Packaging: an indispensable element, to be managed responsibly

## AN EVER-INCREASING SOURCE OF WASTE

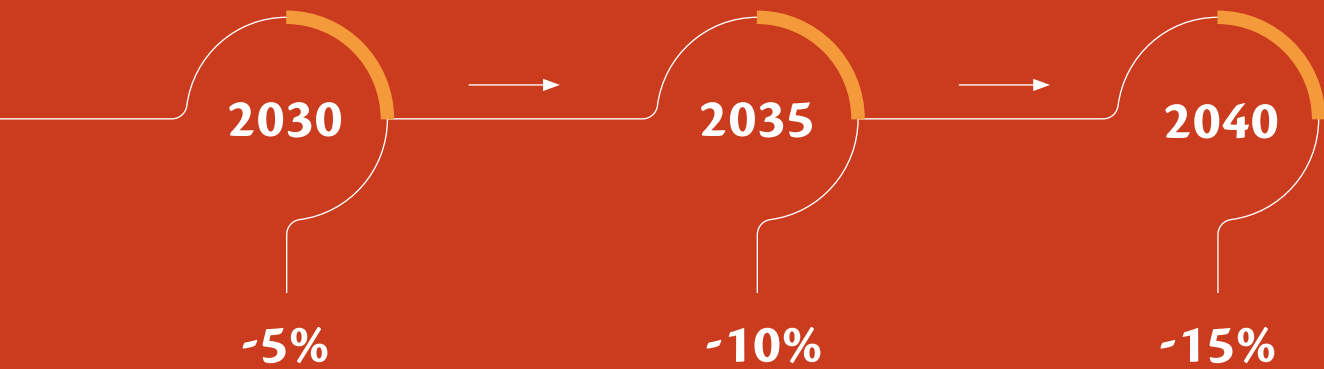
Packaging is an ever-increasing source of waste<sup>a</sup>. Between 2009 and 2021, the volumes produced in the EU grew by 27%:



In 2021, each European citizen generated on average **188.7 kg** of packaging waste, almost 11 kg more per person than in the previous year. This is a figure that, in the absence of new measures, is set to rise to **209 kg in 2030**.

## THE NEW EUROPEAN REGULATION

In March 2024, the European Parliament gave final approval to the new Packaging Regulation to tackle the growing problem of packaging waste, standardise internal market laws and promote the circular economy. The regulations include **packaging reduction targets** particularly on plastics, compared to 2018:



a) Eurostat, 2023. EU packaging waste generation with record increase.

Certain types of single-use plastic packaging will be banned from 2030, including:

- packaging for fresh, unprocessed fruit and vegetables
- packaging for food and drinks consumed in bars and restaurants
- single portions (e.g. condiments and sugar sachets)
- plastic bags made of ultralight material below 15 microns

The use of so-called “eternal pollutants”, i.e. perfluoroalkyl substances (PFAS), above certain thresholds in food contact packaging will be banned altogether.

## MATERIALS IN CIRCULATION

For 2023 the **rate of packaging recycling** compared to the amount released for consumption in Italy is expected to grow<sup>b</sup>: according to initial calculations, the national result is expected to be **75%**. The equivalent of about 11 million tonnes of packaging sent for recycling. A result that surpasses by ten percentage points the 65% that the European Union demands of its Member States by 2025.

Specifically, recycling rates are expected of:



b) Conai, 2023. Recycling packaging? In 2023 it will reach 75%.



## WHAT WE DO IN PIZZOLI

For years Pizzoli has been dedicated to researching and testing innovative packaging solutions, in order to obtain a packaging that had less impact on the environment without compromising its safety and functionality. The company focuses on reducing the quantity of materials used and on single-material packaging to favor its recyclability. For secondary packaging, Pizzoli uses materials with recycled content and is part of schemes for recovering and reusing containers and pallets.

### Potential areas of impact

- 1 Consumption of renewable and non-renewable materials
- 2 Indirect production of greenhouse gas
- 3 Consequences on the ecosystems caused by the spread of waste and microplastics

# Packaging with dedication

Food safety, functionality and environmental compatibility are the three principles that guide the choice of the best packaging solutions.

Pizzoli's approach to packaging has always been based on attentive research and analysis of the impacts associated with the solutions considered. With regard to frozen products, the challenge is to use materials that guarantee that the product will keep for up to two years at low temperatures and withstand contact with oil. Over the years, Pizzoli has tried alternative materials to plastic that resist contact with oil, such as coated paper or paper laminated with plastic films and compostable materials.

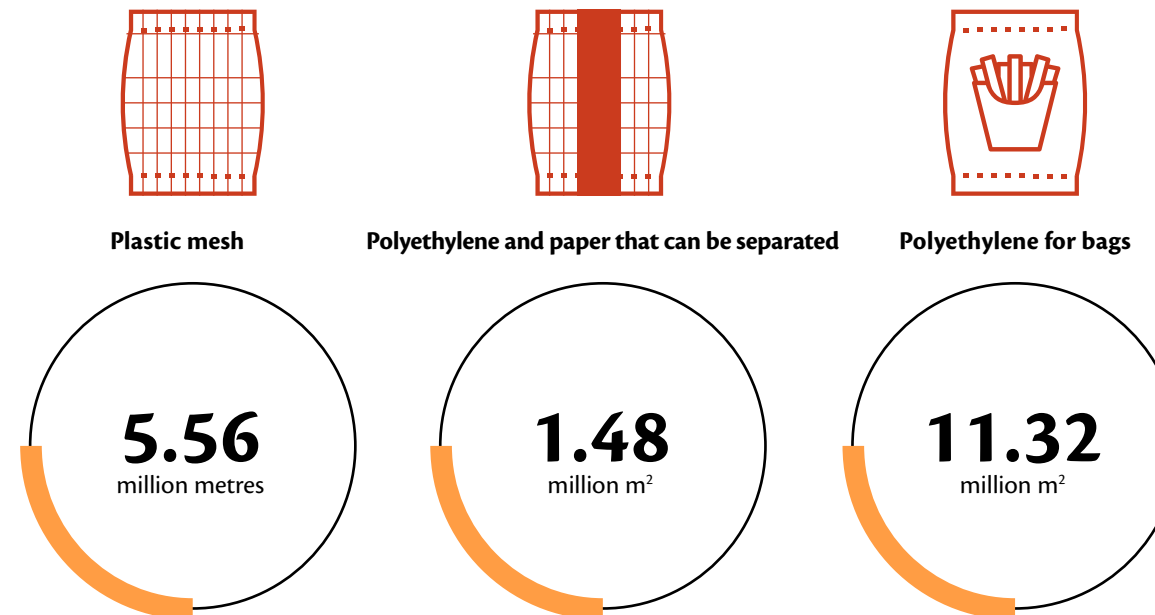
In the end, however, Pizzoli determined that keeping the **single-material plastic** wrap was the best choice to facilitate **recycling** of its packs, while at the same time ensuring packaging functionality, product protection and food waste prevention. Also because to meet food safety requirements and act as a barrier, paper would need to be combined with a plastic component which would make it less recyclable.

To reduce the impact of its packaging, the company **has cut the thickness of the plastic used for its bags to a minimum, from 80 microns to 55-60 microns**. Meanwhile, Pizzoli continues to research and try out new solutions, monitoring developments in the food packaging supply chain and technologies.

Pizzoli has introduced some alternatives to the plastic mesh for its fresh produce potatoes. Some of them are packaged in polypropylene mesh and paper strips that can be easily divided and disposed of in separate waste collection, with the aim of reducing the amount of plastic used. In addition, for some lines, it was possible to switch to packaging made entirely of paper, in FSC-certified fibre.



### Main materials used for primary packaging



All Pizzoli packaging contains information about its composition and disposal to help consumers sort the materials, in accordance with the environmental labelling regulations introduced by Legislative Decree 166 of 3 September 2020. Secondary packaging mainly consists of cardboard boxes, polyethylene film and wood from pallets and crates. **100%** of the cardboard used for packaging is FSC certified. Pizzoli

has joined **schemes for recovering and reusing pallets and crates**, in collaboration with the companies in the supply chain. Once they have reached the end of their life, paper and cardboard are sent for recycling to local municipal companies, while the wood from pallets that can no longer be reused is sent to external companies for proper recovery.



# Logistics 4.0

Thanks to innovative technologies and automation, logistics operations are also designed with efficiency and sustainability in mind.

Since 2017, Pizzoli has centralised its frozen food logistics operations in the new San Pietro in Casale hub, a cold storage facility with cutting-edge performance and energy efficiency. The **automated warehouse** and associated handling system allow the storage of over 9,000 pallets on 12 double-deep racking for a total capacity of 5,000 tonnes of products kept at a constant temperature of -27°C.

Designed already in anticipation of production growth, the automated warehouse is indispensable to better manage the volumes generated by the new plant. The double-deep handling system streamlines picking activities,

making all goods immediately available, despite differences in turnover volume and speed between different lines. In addition, the palletising robot quickly and accurately picks the products ordered and prepares the pallets in accordance with customer requirements. This helps to streamline flows, eliminating queues along the logistics chain and preparing the goods directly in the bay ready for shipping, thereby ensuring optimum protection of the cold chain and product integrity. Information is sent and recorded in real time using radio frequency transmission so that all processes are tracked at every stage of the logistics chain.

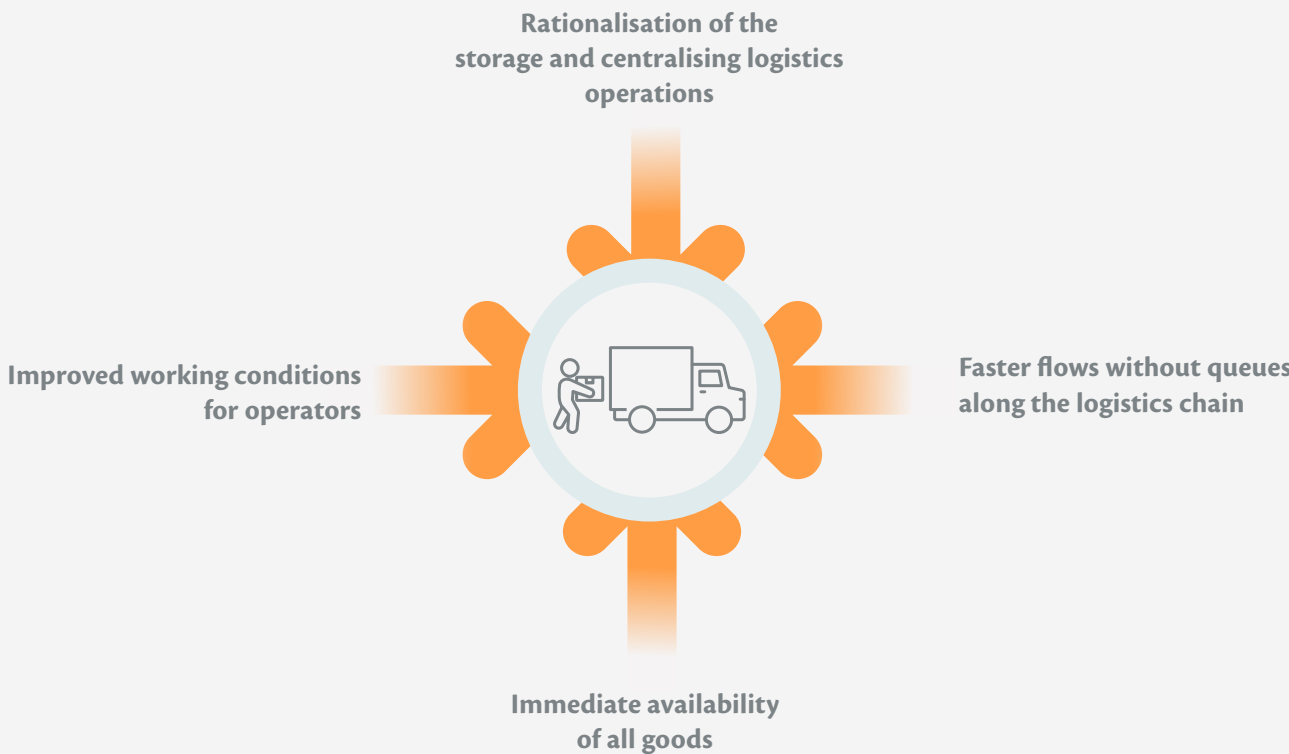
With this facility, the company also wanted to make a highly automated process user-friendly for operators and improve working conditions by allowing them to work only at positive temperatures.

In 2023, the IT function worked on optimising the IT systems, integrating production and logistics processes to make flows between plants and warehouses more efficient. Given the size and complexity of Pizzoli's facilities,

the commitment to digitising and integrating processes will continue in the coming years, starting with the development of additional digital media for picking management.

At the same time, the use of an **online portal for booking loading slots** is being trialled with large-scale retail customers, which aims to optimise outbound logistics activities by reducing loading times and carrier waits.

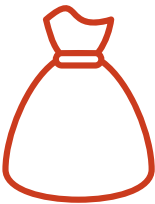
## The ingredients of optimisation



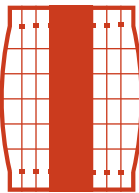


# From Pizzoli to customers

Each of the three areas of the business requires its own logistics and distribution organisation. Pizzoli uses specialised carriers that ensure an unbroken cold chain and timely deliveries.



**Distribution of seed potatoes:**  
Seed potatoes are collected and distributed during a limited period of the year, from October to March. On the basis of the orders received, the logistics department organises pick-ups from suppliers, which, in the case of significant quantities, are delivered directly to customers, thereby optimising journeys. To prevent freezing and to keep the quality of the tubers intact, the load is insulated from the outside temperature during transport.

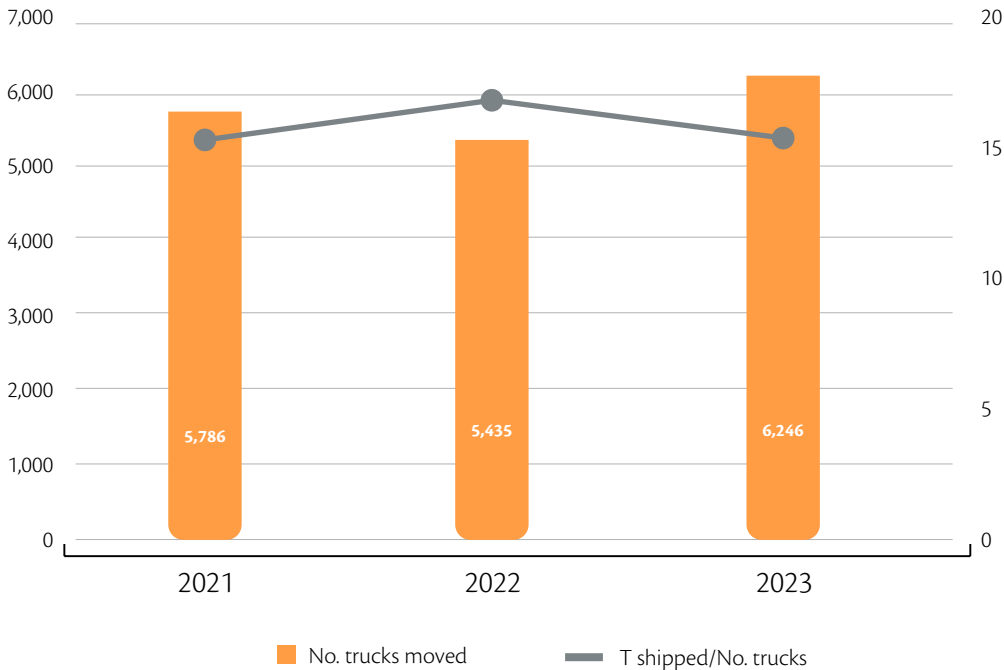


**Distribution of fresh produce potatoes:**  
Table potatoes are distributed on a just-in-time basis, meaning that the potatoes are shipped within 24-36 hours after packing to ensure freshness.



**Distribution of frozen potatoes:**  
Production, storage and delivery flows are optimised on the basis of a delivery schedule planned together with the customers. The logistics department checks that the temperature of the trucks is suitable to guarantee the cold chain. Products for export markets, on the other hand, travel in containers.

## Deliveries



Like many other companies, in 2023 Pizzoli was also affected by the crisis in the logistics sector due to rising fuel costs and lower staffing levels, emerging at the same time as the company's increased demand for transport services. However, thanks to the careful work of the Logistics function, the shipping business was managed in the best possible way and disruptions were contained.

In 2023, Pizzoli shipped 96,586 tonnes of seed potatoes, table potatoes and frozen products, moving 6,246 vehicles. The ratio of tonnes shipped to the number of vehicles moved is 15.46 tonnes/number of vehicles moved, an 8.5% decrease compared to 2022 (16.89 t/n).





56,700+

TOTAL NUMBER  
OF ANALYSIS

+23%

INCREASE IN INVESTMENT  
IN FOOD QUALITY AND  
SAFETY COMPARED TO 2022

5

PATENTS



## BRINGING FLAVOR AND QUALITY TO THE PLATE SAFELY



Technology and research help to make Pizzoli's products increasingly good and practical for today's consumers, with the guarantee of bringing the highest quality and reliability to the table.

# The alliance between producers and distributors

The fruit and vegetable market is facing significant challenges to become more sustainable. The need to reduce environmental impact and regulatory pressure are stimulating the adoption of regenerative farming practices and innovative technologies. However, recent inflationary trends are testing consumers who, with the general rise in prices, tend to set aside sustainability as a purchasing decision factor.

In this scenario, collaboration between producers and distributors, such as that between Pizzoli and Bellafrut (OGL Group), is essential to ensure sustainability along the entire supply chain and accessibility to quality fruit and vegetables that are safe and produced in an ecosystem-friendly manner.



**+5.7%**

average consumer price growth<sup>a</sup>



**-6%**

decline in fruit and vegetable retail purchases<sup>b</sup>

Percentages refer to Italy for the year 2023, compared to 2022 data.

## CUSTOMER DEMANDS AND NEW TRENDS

Retail players show growing interest in products from responsible supply chains. Special requests include the adoption of **practices that protect natural resources and biodiversity**, starting with the reduction of pesticides and chemical fertilisers, the use of **ecological packaging** and **short supply chain products**, reflecting consumer preference for products of Italian and local origin.

## QUALITY ASSURANCE

Bellafrut and Pizzoli work in synergy to ensure that all the quality of the products distributed reach consumers intact. This commitment translates into:

- ✓ **Strict controls:** through the entire supply chain to ensure that products meet the highest standards
- ✓ **Audits and certification:** implementing traceability systems and regular audits to ensure food safety, transparency of farming practices and compliance with required standards
- ✓ **Innovation and research:** investing in research projects to improve the sustainability of crops and production processes

a) Istat, 2024.  
b) CSO Italy Centro Servizi Ortofrutticoli, 2024.

## A SHARED COMMITMENT

Bellafrut and Pizzoli share a vision of sustainability based on a collaborative and practical approach.

Bellafrut's sustainability goals:

- ✓ Reduce CO<sub>2</sub> emissions by optimising logistics and using more efficient technologies
- ✓ Correctly use pesticides to safeguard the soil and people's health
- ✓ Support sustainable agriculture by collaborating with suppliers that adopt environmentally friendly agricultural practices and participate in the development of international initiatives
- ✓ Legality and responsibility in using water along the supply chain
- ✓ Educate consumers by raising awareness of the importance of sustainability



Right from the beginning we have worked to offer high-quality and sustainable products.

Today, more than ever, it is essential to adopt a forward-looking, yet realistic and balanced approach, which requires the collaboration of all the stakeholders, from production to distribution. Only in this way can we ensure a sustainable supply chain, also economically, for everyone. Sustainability is not just a target, but a shared responsibility."

**Michael Gasser**

Quality Assurance Manager, OGL Group





## WHAT WE DO IN PIZZOLI

Every day Pizzoli works to always offer excellent products. Thanks to a system that actively pursues quality along the entire value chain and the adoption of the most recognised certifications in the agri-food industry, Pizzoli potatoes meet consumers' demands for top quality and safety.

### Potential areas of impact

- 1 Food safety
- 2 Customer and consumer satisfaction
- 3 Affordable access to nutritious and safe food products for a balanced and healthy diet
- 4 Raising consumer awareness to adopt healthy lifestyles and responsible shopping habits

## The secrets of an excellent tuber

At every stage of the supply chain, Pizzoli guarantees product excellence without compromising safety.

Every product that leaves the Pizzoli facilities to arrive on the consumers' tables is screened by a thorough quality and food safety control system that runs through every stage of the value chain.

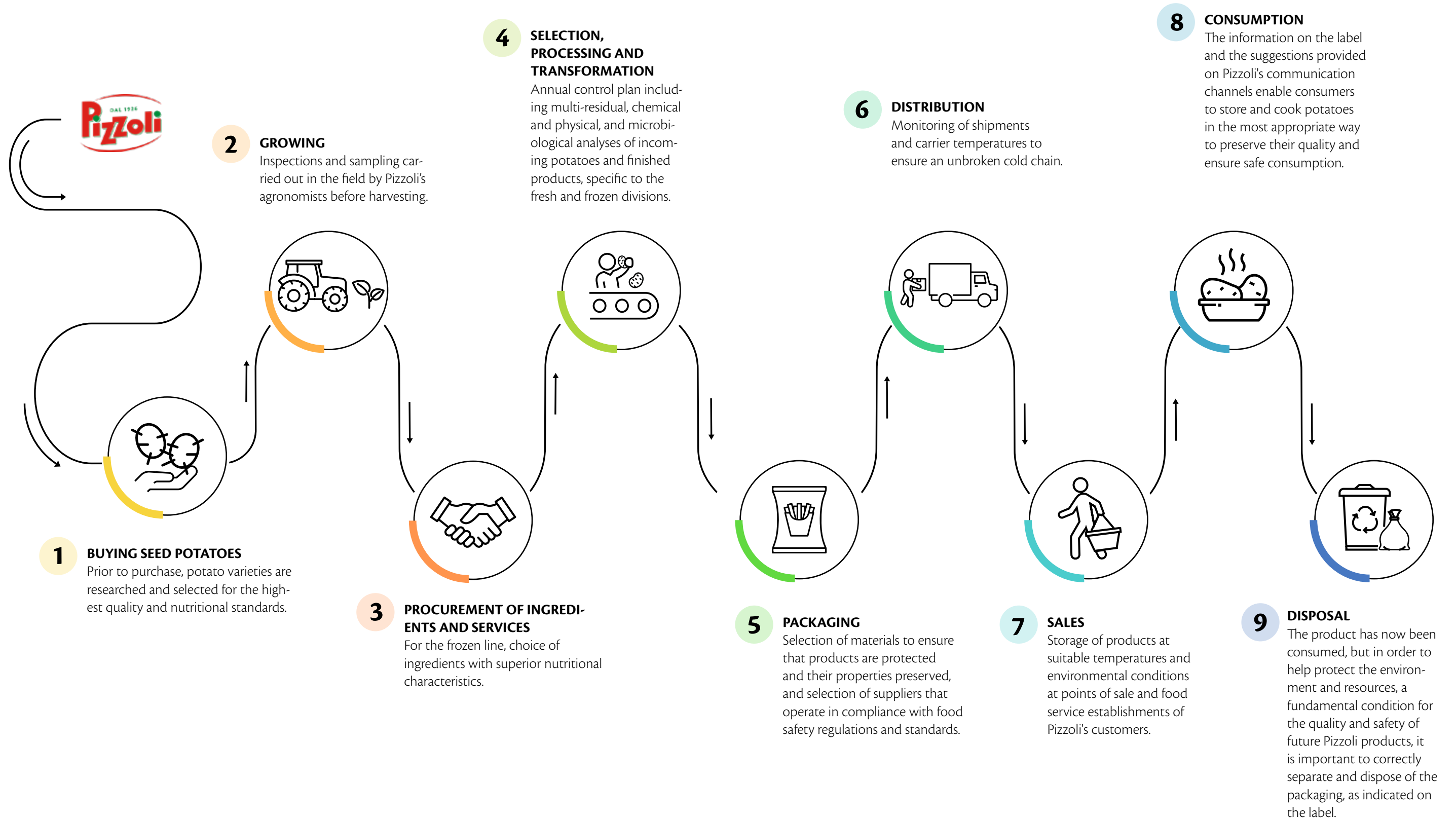


### The perfect balance between flavor and nutrition

Pizzoli continuously invests in research and innovation to select and develop products with high standards of quality and nutrition for both fresh and frozen consumption. Over the years, Pizzoli has worked to improve the nutritional profile of the frozen products, in particular by reaching the highest level available in research and technology. Therefore, in its recipes, Pizzoli has been frying with high oleic sunflower oil for more than a decade. This oil is rich in oleic acid, a mono-unsaturated fatty acid that is more stable at high temperatures and suitable for industrial processing. The industrial processes and technologies currently available mean that fries can minimise its absorption. Any salt added in the preparation process is less than what would be normally used in regular households. In this case, the intake is minimal (between 0.4% and 0.5%) compared to salt added in households after frying.



## Managing quality along the value chain





The plan of internal and external testing of incoming raw materials, processes and finished products is a fundamental stage of the quality management system. This is defined within the framework of the **food safety management system**, which in the case of the Budrio and San Pietro in Casale facilities is certified according to **BRCG** and **IFS standards**. The Budrio site also complies with **ISO 22000** certification, which will be extended to San Pietro in Casale in 2024. On the other hand, the production site in Baricella is certified according to IFS and Global Gap Grasp option 2 standards.

Multi-residue analyses are conducted on incoming potatoes to check that the presence of active ingredients, heavy metals and other substances does not exceed the limits allowed by the regulations and standards adopted by Pizzoli and its customers. These analyses are supplemented by chemical and physical testing to assess quality parameters such as the percentage of dry matter and sugars. The potatoes used for preparing frozen products are checked for additional contaminants such as perfluoroalkyl substances (PFASs) and glycoalkaloids before and

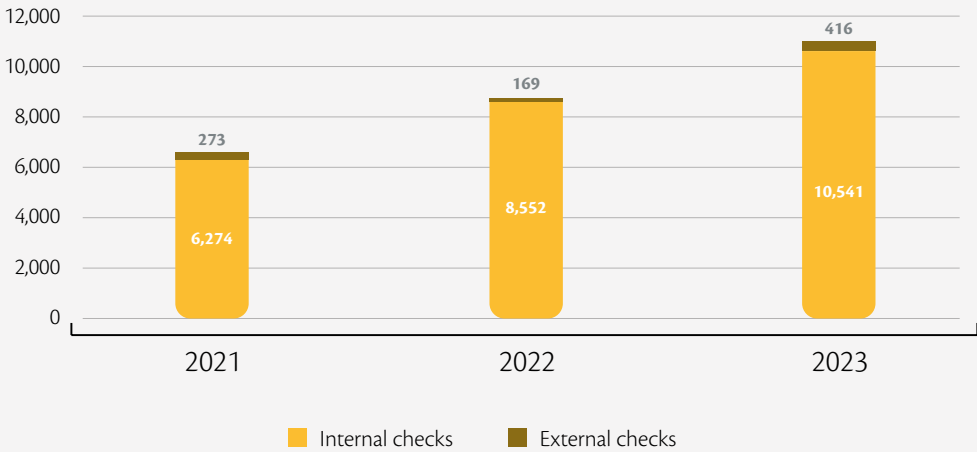
after the cooking and frying processes. During these processes, the timing and water and oil temperature are also constantly monitored to ensure that the potatoes retain their properties and do not develop harmful substances. The assessment of health and safety impacts, as required by the quality system and procedures for compliance with Regulation (EC) 852/2004 on the hygiene of foodstuffs based on the HACCP principles, covers 100% of the Pizzoli products.

In 2023, a total of **10,957 in-house analyses of table potatoes** were conducted, 23.3% more than the previous year, including 1,373 analyses conducted on incoming potatoes, 4,616 process controls and 4,552 analyses on finished products. These were supplemented by 416 multi-residue analyses carried out by external laboratories. In the **frozen food division**, the **total number of analyses** conducted in 2023 was **45,749**, 38.2% more than in 2022. These consisted of 4,505 on incoming potatoes, 14,751 on processes and 26,496 on finished products. The total checks also include 3,115 analyses carried out externally by specialised laboratories.



# THE DIMENSIONS OF QUALITY

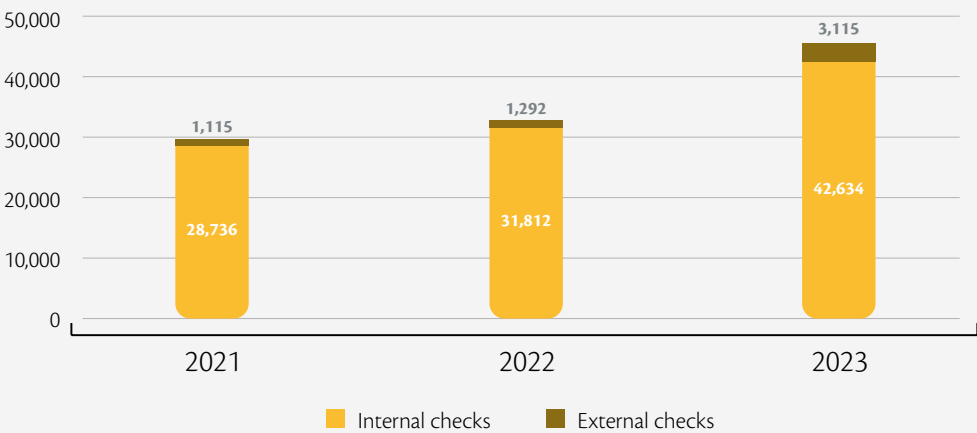
Number of analyses conducted on table potatoes



**10,957**  
Analyses conducted on table potatoes

**45,749**  
Analyses conducted on frozen potato products

Number of analyses conducted on frozen potato products



Investment in food quality<sup>13</sup>

**880**  
thousand euro  
in 2021

**1,017**  
thousand euro  
in 2022

**1,253**  
thousand euro  
in 2023

<sup>13</sup> Investments in quality include the costs of: dedicated personnel, staff training, certification and consultancy, laboratory materials, internal and external analyses.

# Certifications of food safety and quality

The quality of Pizzoli's products is also guaranteed by compliance with relevant **certifications** in the agri-food and potato chain, verified by independent third-party bodies. All food and product safety certifications already in place in Budrio are also being adopted for the processing activities in San Pietro in Casale. At company level, the different standards adopted in the two company sectors (fresh and industrial) are summarised below:

## TABLE POTATOES



**IFS:** The International Featured Standard (IFS) is a Global Food Safety Initiative (GFSI) benchmarked certification standard that qualifies food suppliers in the mass retail chain. It addresses food safety and management of product quality in accordance with contractual specifications and legal requirements, to improve quality and safety management practices and promote food safety all along the supply chain.



**Global G.A.P. - GRASP - Checklist producer group (Option 2):** International certification that promotes the adoption of good agricultural practices, in both environmental and social terms, to foster safe and sustainable agriculture. Under Option 2, Pizzoli leads the certification of a group of farms in the chain.



Certification of facility/farm



Product certification

### Denomination of Origin productions.

The Designation of Origin brands handled by Pizzoli and protected by EU REG 1151/2012 are by law defined as the “collective intellectual property of the territory” that expresses them. Therefore, not only quality products guaranteed and protected by the respective Consortia that, through their own specifications, exalt the qualities of the products, but also enhancement of the producers in the area who cultivate the very products that Pizzoli packages and markets.



**Patata di Bologna D.O.P.:** Certification of Protected Designation of Origin, managed by Consorzio di Tutela Patata di Bologna D.O.P. This certifies the quality and authenticity of the Bologna potato, which is strongly linked to tradition and skills developed in the territory.



**Patata della Sila I.G.P.:** Certification of Protected Geographical Indication, managed by the Consorzio Produttori Patate Associati (PPAS), which promotes and upholds potato growing on the Sila plateau.



**Patata del Fucino I.G.P.:** Certification of Protected Geographical Indication, managed by Consorzio di Tutela I.G.P. Patata del Fucino that regulates the cultivation method and promotes the typical variety of the Altipiani d'Abruzzo.

## FROZEN POTATOES



**IFS:** The International Featured Standard (IFS) is a Global Food Safety Initiative (GFSI) benchmarked certification standard that qualifies food suppliers in the mass retail chain. It addresses food safety and management of product quality in accordance with contractual specifications and legal requirements, to improve quality and safety management practices and promote food safety all along the supply chain.



**BRCGS Global Standard for Food Safety:** International standard certifying food processing and preparation companies. One of the key requirements of the Global Standard for Food Safety is the adoption and implementation of a hazard analysis and critical control points (HACCP) system focusing on product quality and hygiene.



**ISO 22000:2018:** Certification of the Food Safety Management System. The global standard sets out the requirements for keeping food safe from farm to fork based on internationally recognised fundamental principles and the HACCP methodology.



**ISO 22005:2008:** Certification of traceability in the feed and food chain. It lays down the principles and basic requirements for the design and implementation of a food traceability system, setting out how the company can trace the history, application, use and location of its products and raw materials to help ensure food safety in the food chain.



**Certification of organic production:** Certification confirming compliance with the provisions of Regulation (EU) 2018/848 for the preservation and processing of organically grown potatoes.



**VeganOK certification:** Certification that guarantees that products labelled VeganOk contain no animal derivatives and palm oil and that no animal testing has been carried out. The certification also confirms the absence of ingredients of animal origin in packaging.



**Gluten free certification:** A registered trademark owned by the Italian Celiac Association guaranteeing that products labelled with the crossed grain symbol are suitable for consumers with celiac disease, due to a gluten content of less than 20ppm (20 mg/kg).



**Halal certification:** Trademark certifying that products are prepared in accordance with the ethical, hygiene and health rules of Islamic law and religion.



**Kosher certification:** Trademark certifying that products are prepared in compliance with Jewish religious requirements.



# Continuously evolving

Pizzoli potatoes are also innovative in shape and taste to creatively respond to consumer demands.

Innovation means interpreting and anticipating social developments and changing habits. For Pizzoli, product innovation is one of the main items of investment and has the primary objective of guaranteeing consistently gratifying consumption experiences and excellent service performance. On the basis of the industrial strategy, product development and marketing plans are defined for each business channel, identifying the research areas, investments and acquisitions required in terms of skills and technologies.

Individual projects are then set in motion, starting with an intensive and ongoing market analysis activity, and proceeding through a phase of gathering ideas, design, prototyping, industrialisation, launch and post-launch assessment.

The innovation process encompasses all company divisions, starting with the market for frozen pre-fried potatoes for households, one of which is the **Patasnella line**, Italy's first oven fries.

Patasnella fries retain all the flavor and crunchiness of fries, but with the convenience of oven cooking and without the addition of oil. Thanks to the guarantee of quality over time and continuous development, Patasnella is still **one of the most popular and recognised brands on the market today**.

Another area of significant investment is the frozen potato market dedicated to consumption outside the home, where the company aims to bring added value to the most diverse food service offerings, through high-performance products in technical terms and inspired by the latest industry trends. An example of this is the **Professional Line**, which offers products that stand out for their superior flavor and crunchiness, as well as for their service performance in the kitchen.

The projects for the frozen potato division can be grouped into three main **spheres of development**:

- **New cuts:** design and realisation of innovative systems for anatomical cutting of potatoes in conjunction with engineering firms and manufacturers of blades and cutting blocks. The new cuts mean the company can deliver products with an increasingly distinctive appearance and sensory appeal.
- **Coating & Seasoning:** research and development of new ingredient formulas, called coatings for pre-fried frozen fries, in conjunction with ingredient suppliers. The coatings consist of ingredients of natural origin, primarily starches, and may possibly be supplemented with flavorings or spices (seasoning) to further distinguish the sensory profile of the product. In addition to

more crunch and flavor, this technology provides significant technical and service-related advantages, such as increased heat retention, reduced oil absorption in frying and shorter cooking times, which are decisive factors in the choice of product by food service professionals and household consumers.

- **New mashed potato products:** study of new product variants to extend the range of croquettes and reconstituted mashed potato products.

In the fresh food division, Pizzoli is engaged in numerous innovation projects beginning with the study and research of new varieties that can respond more and more effectively to the challenges and needs of the context and the market. The company has also filed a number of **patents**, including one for the development of the potato as a source of iodine. Indeed, the **lodi** potatoes are grown using a method of iodine enrichment, devised in 2007 by Pizzoli in collaboration with the Department of Agri-Food Science and Technology of the University of Bologna. Using this agronomic technique, the potatoes naturally absorb iodine as they grow, maintaining their genuine flavor and great versatility in the kitchen. After harvesting, the concentration of iodine in 100 g of lodi potatoes is at least 22.5 µg, compared to unfortified potatoes in which the content is less than 2 µg. A 200 g portion of lodi potatoes provides 30% of the recommended daily intake of iodine, an element that is indispensable for the functioning of the thyroid gland and metabolism, but which is not widely available in food, with around 6 million people in Italy suffering from a deficiency<sup>14</sup>.

30%

Daily iodine requirement of an adult met by one portion of lodi potatoes



14 Istituto Superiore di Sanità.

# Engaging with customers and consumers

All the quality and care that the supply chain gives to Pizzoli products are conveyed with transparency and simplicity, with attention to the needs and satisfaction of customers and consumers.

Pizzoli products tell a story that begins with the land, ideas and the work of people. To make the most of this, the company provides dedicated moments to meet and interact with customers and consumers.

At the presentation of the “**Trade Story**”, a document that encompasses the new launches planned for the year and the main promotional activities, mass retail customers also learn about Pizzoli's sustainability commitments and innovations to reduce the production footprint along the supply chain. In 2023, work was done to consolidate the new products introduced in recent years, focusing on the Patasnella and WeLove lines for frozen food and expanding the fresh portfolio with excellent varieties with unique properties, such as the valorisation of localism with Patata di Bologna DOP, Patata del Fucino IGP and the mountain potatoes from Val Pusteria.

The key moments to engage with food service customers take place during **industry events and trade fairs**, such as the international fairs: Gulfood in Dubai, SIAL in

Paris, Anuga in Cologne, and the increasingly important national fairs such as Marca in Bologna and Macfrut in Rimini. At these events, moments are organised to inform and make distributors and customers aware of Pizzoli's activities, including the sustainability processes.

The product **packaging** also conveys the corporate identity and the philosophy underpinning the brand. In this regard, with the support of external legal advisers, Pizzoli checks that all the information on the packaging and on the label is correct and complies with current labelling regulations, **to ensure transparent communication that does not mislead consumers**. These checks are also performed on all major promotional and advertising operations.



# Attention to needs and expectations

Pizzoli monitors the evolution of consumer preferences and expectations related to sustainability issues through targeted qualitative surveys.

Pizzoli keeps **direct feedback channels** open - a system to collect complaints and feedback has been set up to allow customers and consumers to report any problems with the product or communicate their appreciation or suggestions, with specific methods and channels for each business area.

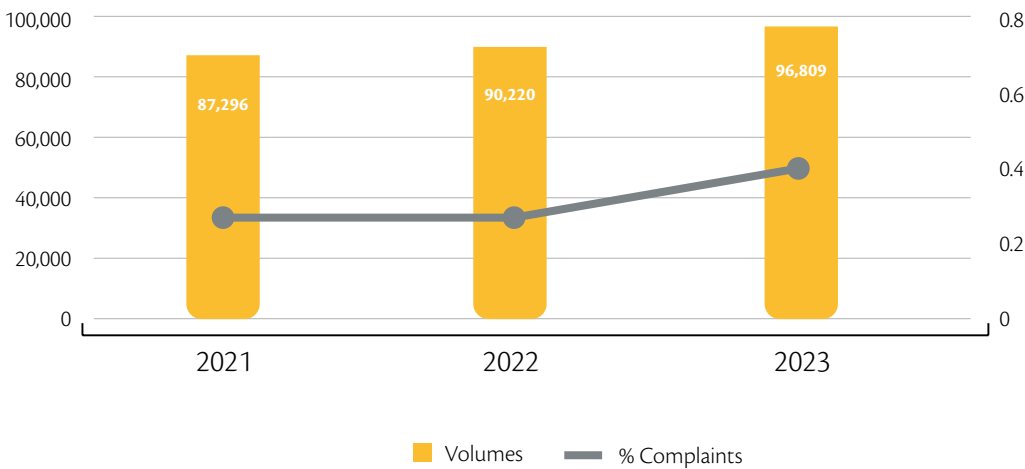
For **frozen products**, consumers can contact the retailer where they bought the product or write to the dedicated e-mail address. The Quality control handles the complaints and proceeds in conducting the necessary analysis and checks, while the Marketing function is responsible for rapidly responding to the customer and consumer with the necessary information and solutions.

With regard to **fresh products**, reports from distribution platforms or points of sale alert Pizzoli in the case of premature product spoilage or obvious quality defects. In these cases Pizzoli promptly replenishes the delivery, while implementing the necessary controls to trace the causes and prevent any new episodes.

In the case of **seed potatoes**, even before the start of the campaign Pizzoli's agronomists schedule visits to the farms to check the quality and suitability of the tubers that growers will receive directly from northern European suppliers. In addition, the agronomists are always on hand to provide technical assistance and solve any problems that may arise.

The constant **monitoring and analysis of complaints and feedback** enables Pizzoli to plan appropriate corrective actions. 2023 turned out to be a particularly complex year due to some critical issues related to the raw material caused by the effects of weather patterns on yields, including in some cases the formation of plant pests in the product. For these reasons, in 2023 the index representing the number of complaints received in relation to sold volumes worsened by 40.5% compared to 2022.

Number of complaints received per 100 tonnes of sales





## Potatoes in the limelight

Pizzoli's mission is based on enhancing the value of one of the most important crops of the Italian agri-food industry, with a commitment to spreading its culture on all aspects related to it, from farm to fork. In addition to the contents more closely linked to the product, such as taste, conviviality and the service component, stakeholder relations are aimed at raising awareness on the issues on choice and conscious consumption - from the prudent management of natural resources, to innovative agronomic and by-product recovery projects, to nutrition and the fight against food waste, to social issues

linked to the supply chain and solidarity. With a multi-channel and integrated approach, the company expresses its messages in **a range of offline and online touch points**, including the press, TV and radio commercials, the company website and digital channels, which are becoming increasingly important in order to create valuable connections, particularly with the younger segments of the population. The communication projects in this area often involve collaboration with authoritative content creators and influencers, selected primarily on the basis of shared values.

### Specialists at work

In 2023, Pizzoli launched a digital campaign on its social channels in which science and creativity come together to produce the very best in goodness: "Specialists at work" describes the world of Patasnella with a sympathetic touch through a scientist struggling with the study of every detail, a sign of quality and excellence. Each speciality of the Patasnella line was given a test that highlighted its distinctive features.

### Excellence in the kitchen

Promoting the culture of potatoes begins in the culinary world, where Pizzoli collaborates with authoritative and nationally recognised platforms. One such example is the sponsorship of the TV programme MasterChef Italia, started in 2021 and also continued in 2022 and 2023, which offered the opportunity to tell the story of the distinctive characteristics of excellent potato varieties.

### Sport and healthy eating

Pizzoli has always believed in the importance of physical activity and promotes values such as commitment and wellbeing. For this reason, its communication activities have always included collaborations with endorsers or ambassadors linked to the world of sport or with organisations that promote its values, in particular towards certain segments of the population, such as young or socially and economically vulnerable people.

### The potential of frozen food against food waste

Pizzoli participates in the awareness-raising activities promoted by the Italian Frozen Food Institute (IIAS) on the role of frozen products as allies in the prevention of food waste. For example, the campaigns and messages issued on the occasion of the National Day against Food Waste or during the periodic reports, provide useful data to understand the virtues of frozen products and tips on how to make the most of their potential, with suggestions on purchasing, storage and consumption practices.

### Good tips

The "Good tips" section of the Pizzoli website provides hints and recommendations to make the most of the taste and versatility of the products, with an eye to nutritional aspects and how to avoid wastage. From rules for correct storage, to suggestions for healthy and efficient cooking, to recipes and pairings, potatoes will no longer hold any secrets.



# About this Report

With the second edition of the Sustainability Report, Pizzoli S.p.A. (also “Pizzoli” or “the company”) aims to transparently communicate to its stakeholders the social, environmental and economic impacts associated with the Company’s activities and the ways in which it manages them, as well as the commitments it has undertaken with respect to sustainability topics.

This edition of the Sustainability Report covers the period from 1 January to 31 December 2023.

The reporting scope relates to Pizzoli S.p.A., whose registered address is via Zenzalino Nord, 1, Budrio, Italy.

This Sustainability Report is specified as reporting with reference to the Global Reporting Initiative Sustainability Reporting Standards defined in 2021 by the Global Reporting Initiative (GRI). The GRI is the most widely used global benchmark for sustainability reporting: it is an independent international association that promotes the development of voluntary reporting on economic, environmental and social performance. Provided as an appendix to this document is the “GRI content index”, which provides an overview of the qualitative and quantitative information reported, in compliance with the aforementioned guidelines.

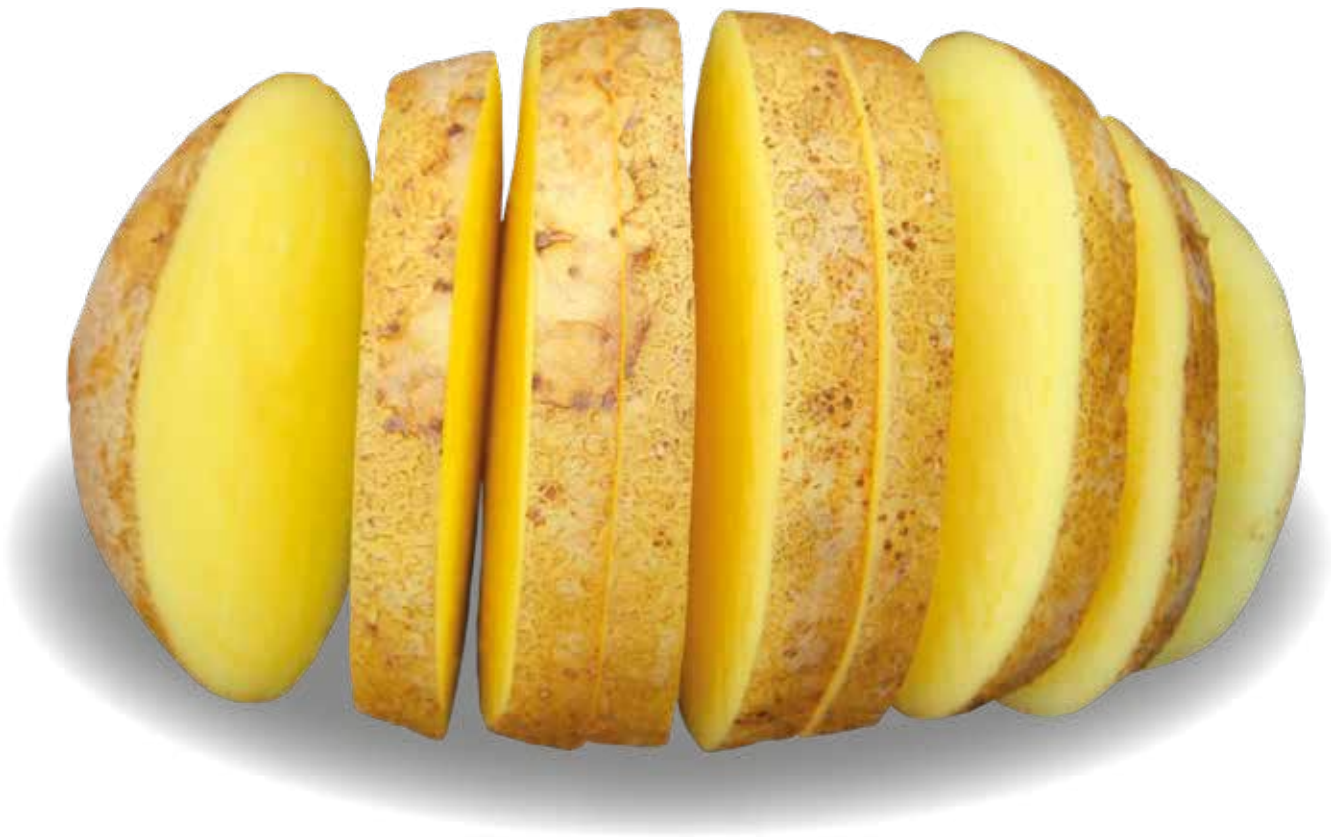
The content in this Report was created on the basis of a materiality analysis process in order to identify the most relevant sustainability topics for Pizzoli and its stakeholders.

To provide a complete and exhaustive picture of the company’s performance, the data published are presented in comparative form where possible. Regarding quantitative information, those instances where estimates were used are duly indicated. The significant change in the indicators compared to previous years is due to the start-up of the new frozen food production plant at San Pietro in Casale (BO).

The document was drafted in cooperation with the Sustainability function, which coordinated the project. The Sustainability Report was assessed by the President and CEO of Pizzoli S.p.A. and was published in July 2024.

This Report was not reviewed by an independent body.

The Report is available on our corporate website [www.pizzoli.it](http://www.pizzoli.it). For information and communications on the Sustainability Report, you can write to [info@pizzoli.it](mailto:info@pizzoli.it).





# Appendix

## Sustainability performance

ORGANISATION

Composition of the highest governance body

First and last name	Executive or non-executive role	Independence	Number of other key positions held and nature of those positions	Gender	Member of under-represented social groups	Competencies with regard to economic, environmental and social topics	Stakeholder categories represented
Nicola Pizzoli	Chair of BoD	YES	Chief Executive Officer	M	NO	YES	Shareholders
Giuseppe Quaglia	Director	YES	n.a.	M	NO	YES	Shareholders
Andrea Pizzoli	Director	YES	n.a.	M	NO	YES	Shareholders

ECONOMIC PERFORMANCE

Economic value generated

In EUR	2023	2022	2021
Net revenues from sales and services	154,075,754	127,049,323	108,038,500
Other non-financial revenue	6,735,862	14,361,245	2,950,381
Change in inventories	2,584,842	-355,943	234,746
Financial income	47,322	18,386	6,568
Total added value generated	163,443,780	141,073,011	111,230,195

Economic value distributed

In EUR	2023	2022	2021
To suppliers (costs of goods sold, services, leased assets)	141,112,512	125,297,273	94,385,730
Remuneration to suppliers	141,112,512	125,297,273	94,385,730
To employees for work	9,280,382	8,236,507	7,552,219
To others for work	93,135	65,622	45,606
Remuneration of work	9,373,517	8,302,129	7,597,825
To partners/shareholders	-	-	-
Interest to banks	1,859,789	749,822	310,849
Remuneration to lenders	1,859,789	749,822	310,849
To social and cultural activities	54,891	13,830	25,160
Remuneration to the community	54,891	13,830	25,160
Rates and taxes	51,703	-401,441	139,579
Remuneration to the public administration	51,703	- 401,441	139,579
Total added value distributed	152,452,412	133,961,613	102,459,143

Economic value retained

In EUR	2023	2022	2021
Amortisation and Depreciation	9,466,802	6,151,024	6,522,209
Provisions	339,968	258,490	136,658
Other	1,184,598	701,884	2,112,185
Total added value retained	10,991,368	7,111,398	8,771,052

INFORMATION ON EMPLOYEES

Employees by employment contract and gender

Employment contract	2023			2022			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Permanent	33	95	128	31	81	112	34	73	107
Temporary	9	23	32	3	1	4	4	4	8
Total	42	118	160	34	82	116	38	77	115

Employees by type of contract and gender

Employment contract	2023			2022			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Full-time	40	118	158	33	82	115	37	77	114
Part-time	2	-	2	1	-	1	1	-	1
Total	42	118	160	34	82	116	38	77	115

TRAINING

Average hours of training per employee per year, by gender and professional category

Professional category	2023			2022			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Managers	-	10.0	10.9	-	19.9	19.9	-	4.2	4.2
Middle managers	39.3	46.7	46.0	7.0	12.2	11.7	62.8	37.5	41.7
Administrative staff	12.0	13.1	12.6	14.3	11.1	12.6	10.5	11.8	11.2
Departmental staff	47.9	45.9	46.3	15.5	19.7	18.8	4.1	6.2	5.7
Total	25.3	34.8	32.3	14.2	15.4	15.1	13.1	14.0	13.7

OCCUPATIONAL HEALTH AND SAFETY

Employee-related health and safety indicators

	2023	2022	2021
Total hours worked	242,723	194,016	186,827
Number of serious accidents	-	-	-
Number of total accidents recordable	5	2	1
Serious accident frequency rate	-	-	-
Frequency rate of total accidents recordable <sup>15</sup>	4.12	2.06	1.07

SUPPLY CHAIN

New suppliers that were screened using environmental and social criteria

	2023	2022	2021
Percentage of new suppliers assessed using environmental criteria	29%	21%	4%
Percentage of new suppliers assessed using social criteria	47%	21%	70%

<sup>15</sup> The accident frequency rate is calculated as the ratio between the number of accidents and the total number of hours worked in the same period, multiplied by 200,000.



EMISSIONS<sup>16</sup>

Direct and indirect GHG emissions (Scope 1 and 2) and GHG emission intensity

In tCO <sub>2</sub> e	2023	2022	2021
Direct emissions <sup>17</sup>	16,776	14,298	14,427
Indirect emissions - Location-based <sup>18</sup>	4,310	2,644	2,791
Indirect emissions - Market-based <sup>19</sup>	7,045	4,643	-
Total Scope 1 + Scope 2 emissions LB	20,906	16,942	17,218
Total Scope 1 + Scope 2 emissions MB	23,820	18,941	14,427
Intensity of direct emissions (t CO <sub>2</sub> e/t production)	0.2234	0.2178	0.2119
Indirect emission intensity - Location-based (t CO <sub>2</sub> e /t production)	0.0550	0.0403	0.0410
Indirect emission intensity - Market-based (t CO <sub>2</sub> e /t production)	0.0938	0.0707	0.0000
Emission intensity Scope 1 + Scope 2 LB (tCO <sub>2</sub> e/t production)	0.2784	0.2581	0.2529
Emission intensity Scope 1 + Scope 2 MB (tCO <sub>2</sub> e/t production)	0.3172	0.2885	0.2119

Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions

In kg	2023	2022	2021
Nitrogen oxides (NOx)	29,112	39,948	30,637
Sulphur oxides (SOx)	96	288	158
Volatile organic compounds (VOC)	32	25	24
Particulate Matter (PM)	95	188	495
Oily particulate matter	55	49	127
Reduced nitrogen compounds (NH <sub>3</sub> )	-	66	33

WATER

Water withdrawal

In ML	2023	2022	2021
Total water withdrawals	258.36	140.93	116.65
Groundwater	256.79	137.88	113.12
Third-party water resources	1.58	3.05	3.53
Water withdrawal index (ML/t production)	0.0034	0.0021	0.0017

16 The following greenhouse gases were considered for the calculation of GHG emissions: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O.  
17 Source of the emission coefficient for natural gas and diesel: ISPRA, Italian Greenhouse Gas Inventory 1990-2021. National Inventory Report 2023. Source of the emission coefficient for refrigerant gases: DEFRA, Greenhouse gas reporting: conversion factors 2023. Source of emission coefficients for petrol and diesel: ISPRA, The database of average emission factors of road transport in Italy, 2020.  
18 Source of the emission coefficient: ISPRA, Italian Greenhouse Gas Inventory 1990-2021. National Inventory Report 2023.  
19 Source of the emission coefficient: Association of Issuing Bodies (AIB), European Residual Mixes 2022 for 2023 data and European Residual Mixes 2021 for 2022 and 2021 data.

MATERIALS

Materials used by weight and volume

	Unit of measurement	2023	2022	2021	Coming from renewable sources
Raw materials and ingredients for production					
Potatoes	t	124,918	109,672	111,397	X
Sunflower oil and extra virgin olive oil	t	3,030	2,367	2,437	X
Other ingredients (bread, flavourings, coatings)	t	1,329	1,523	1,169	X
Primary Packaging Materials					
Plastic (mesh)	m	5,564,000	4,964,400	4,923,000	
Polyethylene (bags)	m <sup>2</sup>	9,640,352	9,243,670	9,471,000	
FSC-certified paper	m	145,540	-	292,000	X
Polyethylene and paper that can be separated	m	1,480,060	1,333,200	1,274,000	
Polyethylene band (Vert Bag)	m	10,264,900	7,964,000	7,629,660	
Adhesive tape	m	6,558,000	9,214,000	8,000,000	
Thermal transfer foil	m	991,600	1,090,350	839,250	
Plastic (pallet strapping)	m	321,750	225,500	220,000	
Paper (for crate base)	t	-	1.3	1	X
Secondary Packaging Materials					
Cardboard	t	3,108	2,549	2,351	X
of which FSC-certified	t	3,108	1,977	1,444	X
Polyethylene stretch film	t	22	16	13	
Plastic pallet wrapping mesh	m	140,000	290,500	280,000	
Paper labels	t	16	13	12	
Plastic crates	t	115	-	-	
Wood	t	2,584	2,789	2,293	X
Cardboard pallet corners	t	6	3	4	X
Products for the biomass treatment plant					
Sanitising detergents	t	26	15	21	
Chemical products	t	477	713	929	
Filters for filtering vegetable oils	m <sup>2</sup>	49,752	31,200	24,960	
Office materials					
Paper	t	4.32	3.45	3.36	X
of which FSC-certified	%	100%	100%	100%	X
Toner <sup>20</sup>	t	0.03	0.05	0.04	






20 Estimated figure considering the average weight of a toner (800 g) multiplied by the number of pieces consumed.

WASTE







Waste generated




In t	2023	2022	2021
Total non-hazardous waste	9,327	7,788	7,503.6
Mud from washing and cleaning operations	1,091.2	648.6	517.8
Plastics	11	14.4	6.1
Waste unusable for consumption or processing and sludge from effluent treatment	7,331.5	6,735.4	6,530.3
Other organic waste	2.9	-	-
Packaging materials	603	330.8	377.4
Filter materials containing different substances	40.8	11.2	23.0
Glycol water	2.9	0.5	-
Damaged equipment and electrical material	1.8	2.5	3.4
Iron and steel	46.8	29.3	30.9
Mixed waste from demolition activities	54.5	9.7	-
Activated carbon	1.7	-	5.5
Used vegetable oils	139	5.6	9.3
Total hazardous waste	20	29.3	31.7
Motor, gear and lubrication oils and non-chlorinated mineral insulating and heat-conducting oils	8.5	12.2	7.4
Other emulsions	11.2	5.9	1.0
Packaging containing residues of hazardous substances	0.7	1.7	1.1
Absorbents and filter materials from hazardous substances	0.2	-	0.5
Oil filters	0.3	0.2	0.3
Organic and other waste chemicals	0.4	0.1	0.1
Lead batteries	-	1.1	-
Liquid waste containing hazardous substances	7.6	7.9	20.6
Rock wool	0.1	0.1	0.2
Sanitary-microbiological waste	0.1	0.2	0.5

Reconciling impacts and material topics

MATERIAL TOPIC	ASSOCIATED IMPACTS	TYPE OF IMPACT (POS./ NEG., DIRECT/INDIRECT)	STAKEHOLDERS IMPACTED	SDGs
Food safety and quality	Human health risks linked to the consumption of Pizzoli products	Negative Direct	Consumers	
Management of human resources	Work-related injuries, occupational diseases, poor work-life balance	Negative Direct	Workers	
	Unfair practices in the workplace: discrimination, limitations on freedom, unfair treatment	Negative Direct	Workers	
	Growth of the professional and personal skills of the company's people	Positive Direct	Workers	
	Increased stakeholder awareness of environmental issues and the adoption of responsible behaviour	Positive Direct	Workers	
Procurement practices and management of agricultural ecosystems	Violation of workers' rights and human rights along the supply chain	Negative Indirect	Potato growers and other supply chain workers	 
	Pollution and impoverishment of ecosystems caused by the farming practices adopted to produce potatoes and other supplied raw materials	Negative Indirect	Potato growers and local communities, communities	
	Inadequate remuneration to farmers with potential consequences on productivity and product quality	Negative Direct	Potato growers and their families and communities	
	Contribution to transition to sustainable and regenerative agricultural practices	Positive Indirect	Potato growers and local communities, communities	
	Boosting the technical skills of potato growers and supporting the development of producer associations	Positive Direct	Potato producer organisations, potato growers and communities	
Innovating and developing the supply chain	Creating opportunities for economic development for the supply chain and sector	Positive Indirect	Suppliers, workers, Universities and research institutes, other businesses	



MATERIAL TOPIC	ASSOCIATED IMPACTS	TYPE OF IMPACT (POS./NEG., DIRECT/INDIRECT)	STAKEHOLDERS IMPACTED	SDGs
Generating value	Organisational and management inefficiencies resulting in economic losses and/or lost earnings	Negative Direct and indirect	Employees and workers who are not employees, suppliers, the community	
	Generation of economic value in the long term	Positive Direct and indirect	Employees and workers who are not employees, suppliers, local communities the community	
Climate change	Direct consumption of energy resources and fossil fuels for production activities resulting in GHG emissions	Negative Direct	The community	
	Indirect production of GHG emissions	Negative Indirect	The community	
Managing resources for production and circularity	Consumption of renewable and non-renewable materials	Negative Direct	The community, other businesses	
	Water consumption in production processes and unintentional water contamination	Negative Direct	The community, local communities	
Exploiting by-products and waste management	Food waste	Negative Direct and indirect	The community	
	Contamination of ecosystems caused by the release of waste and microplastics	Negative Indirect	The community	
	Recovery and utilisation by recycling or reusing by-products and production waste	Positive Direct	The community, other businesses	
Customer and consumer satisfaction	Absence of customer and consumer satisfaction	Negative Direct	Customers, consumers	
	Affordable access to nutritious and safe food products for a balanced and healthy diet	Positive Direct	Consumers, the community	

MATERIAL TOPIC	ASSOCIATED IMPACTS	TYPE OF IMPACT (POS./NEG., DIRECT/INDIRECT)	STAKEHOLDERS IMPACTED	SDGs
Supporting communities and developing the local areas	Creating jobs and skills for the local region	Positive Direct	Local communities	
	Sharing the economic value generated with the community by means of donations, sponsorships, partnerships and social projects	Positive Direct	Local communities	
Ethical and responsible management of the business	Unethical conduct (e.g. corruption, conflict of interest, unfair business practices)	Negative Direct	Public Administration, competitors, suppliers, the community	
	Privacy breaches and misuse of sensitive data	Negative Direct	Customers, consumers, workers who are not employees, suppliers	
Combating food waste and raising consumer awareness	Raising consumer awareness to adopt healthy lifestyles and responsible shopping habits	Positive Direct	Customers, consumers, the community	

GRI content index

GRI Standard	Disclosure	Page number	Notes and omissions
GENERAL DISCLOSURES			
GRI 2: General disclosures 2021	2-1 Organizational details	112, 118	
	2-2 Entities included in the organisation's sustainability reporting	118	
	2-3 Reporting period, frequency and contact point	118	
	2-4 Restatements of information	118	This disclosure is not applicable because this is the first Sustainability Report.
	2-5 External assurance	118	
	2-6 Activities, value chain and other business relationships	8-9, 12, 18-19	
	2-7 Employees	24-25, 122	
	2-9 Governance structure and composition	20, 120	
	2-10 Nomination and selection of the highest governance body	20	b) Given the characteristics of the business, it was not deemed necessary to formalise specific criteria for the nomination and selection of the members of the highest governance body.
	2-11 Chair of the highest governance body		The Chair of the highest governance body is also the organisation's CEO.
	2-12 Role of the highest governance body in overseeing the management of impacts	20	b) Stakeholder engagement in the oversight of due diligence processes is delegated to the Technical Committees and operational figures implementing the strategic guidelines. c) The effectiveness of the processes is verified at quarterly meetings involving the Board of Directors and committees.
	2-13 Delegation of responsibility for managing impacts	20	
	2-14 Role of the highest governance body in sustainability reporting	20	

GRI Standard	Disclosure	Page number	Notes and omissions
	2-15 Conflicts of interest		Considering the fact that Pizzoli is not a joint-stock company (S.p.A.) with a broad shareholder base and that ownership is mainly represented by members of the Pizzoli family (close corporation), it was not deemed necessary to lay down specific procedures for managing conflicts of interest.
	2-16 Communication of critical concerns		a) Pizzoli collects and analyses all information received through its communication channels and if this information includes critical concerns in terms of actual and potential negative impacts, these are reported to the highest governance body. b) No critical concerns were reported to the highest governance body during the reporting period.
	2-17 Collective knowledge of the highest governance body		There are currently no formalised measures to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development.
	2-18 Evaluation of the performance of the highest governance body		There are currently no formalised measures for evaluating the performance of the highest governance body in overseeing the management of the organisation's impacts on the economy, environment, and people.
	2-19 Remuneration policies		At the time of nomination, the General Meeting of Shareholders establishes the annual remuneration to be paid to Board members. The Board of Directors determines how the remuneration is to be divided among the various members and the termination payments. Remuneration is fixed, without additional bonuses or incentive payments. In the case of senior executives, remuneration is determined at the time of recruitment or through any remuneration reviews approved by the BoD. A Management by Objectives (MBO) system with annual performance targets also in relation to the management of the organisation's environmental and social impacts has been established for senior executives.
	2-20 Process to determine remuneration		



GRI Standard	Disclosure	Page number	Notes and omissions
	2-22 Statement on sustainable development strategy	7	
	2-23 Policy commitments	22	
	2-24 Embedding policy commitments	20, 26, 54	
	2-25 Processes to remediate negative impacts	20, 72, 115	Various procedures and mechanisms are in place to remediate negative impacts. Information on the management of the various impacts is included in the appropriate sections of the Report, where applicable.
	2-26 Mechanisms for seeking advice and raising concerns	22	
	2-27 Compliance with laws and regulations		In the 2021-2023 three-year period, there were no recorded instances of non-compliance with laws and regulations.
	2-28 Association membership	36-37	
	2-29 Approach to stakeholder engagement	24, 38-39, 58-60, 114	
	2-30 Collective bargaining agreements	27	

MATERIAL TOPICS

GRI 3: Material Topics 2021	3-1 Process to determine material topics	43	
	3-2 List of material topics	42	

FOOD SAFETY AND QUALITY

GRI 3: Material Topics 2021	3-3 Management of material topics	106-107, 127	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	108	
	416-2 Incidents of non-compliance with regulations concerning the health and safety impacts of products and services across their life cycle		In the 2021-2022 two-year period, no incidents of non-compliance concerning impacts on health and safety of products or services were recorded. In 2023, the company received three penalties for administrative offences from the Food and Health Units (Nuclei Antisofisticazione e Sanità - N.A.S.).

GRI Standard	Disclosure	Page number	Notes and omissions
MANAGEMENT OF HUMAN RESOURCES			
GRI 3: Material Topics 2021	3-3 Management of material topics	24, 26-29, 127	
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	27	
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes		There is no minimum notice period generally communicated to employees and their representatives prior to significant operational changes that could affect workers.
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	26, 123	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		In the 2021-2023 three-year period, there were no incidents of discrimination.
GRI 403 Occupational health and safety 2018	403-1 Occupational health and safety management system	28	
	403-2 Hazard identification, risk assessment, and incident investigation	28	
	403-3 Occupational health services	28	
	403-4 Worker participation, consultation, and communication on occupational health and safety	28	
	403-5 Worker training on occupational health and safety	29	
	403-6 Promotion of worker health	28	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2	
	403-8 Workers covered by an occupational health and safety management system	28	
	403-9 Work-related injuries	29, 123	Information on requirement 403-9 b. is omitted due to unavailability of data.

GRI Standard	Disclosure	Page number	Notes and omissions
PROCUREMENT PRACTICES AND MANAGEMENT OF AGRICULTURAL ECOSYSTEMS			
GRI 3: Material Topics 2021	3-3 Management of material topics	50-51, 54-55, 127	
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	52	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	54, 123	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	54, 123	
INNOVATING AND DEVELOPING THE SUPPLY CHAIN			
GRI 3: Material Topics 2021	3-3 Management of material topics	62-63, 127	
GENERATING VALUE			
GRI 3: Material Topics 2021	3-3 Management of material topics	22, 58-59, 128	
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	22, 120-121	
CLIMATE CHANGE			
GRI 3: Material Topics 2021	3-3 Management of material topics	78, 128	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	78-79, 124	
	305-2 Energy indirect (Scope 2) GHG emissions	78-79, 124	
	305-4 Emission intensity of greenhouse gases (GHG)	78-79, 124	
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	124	
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GRI 302: Energy 2016	302-3 Energy intensity	76	
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	87, 124	

GRI Standard	Disclosure	Page number	Notes and omissions
EXPLOITING BY-PRODUCTS AND WASTE MANAGEMENT			
GRI 3: Material Topics 2021	3-3 Management of material topics	80-86, 128	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	81, 125	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	85	
	306-2 Management of significant waste-related impacts	85	
	306-3 Waste generated	126	
CUSTOMER AND CONSUMER SATISFACTION			
GRI 3: Material Topics 2021	3-3 Management of material topics	115, 128	
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling		In the 2021-2023 three-year period, 100% of Pizzoli's product categories were assessed for compliance with information and labelling procedures.
	417-2 Incidents of non-compliance concerning product and service information and labelling		In 2022, Pizzoli received a report from the Italian Communications Regulatory Authority (AGCOM) for non-compliance with voluntary codes regarding product information and labelling. After due verification, the report was closed.
SUPPORTING COMMUNITIES AND DEVELOPING THE LOCAL AREAS			
GRI 3: Material Topics 2021	3-3 Management of material topics	30-31, 129	
ETHICAL AND RESPONSIBLE MANAGEMENT OF THE BUSINESS			
GRI 3: Material Topics 2021	3-3 Management of material topics	22-23, 129	
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken		In the 2021-2023 three-year period, there were no incidents of proven corruption.
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	23	
COMBATING FOOD WASTE AND RAISING CONSUMER AWARENESS			
GRI 3: Material Topics 2021	3-3 Management of material topics	116-117, 129	





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## 2023 SUSTAINABILITY REPORT

**Pizzoli S.p.A.**

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